



---

# **Daily Report—**

## **East Asia**

**FBIS-EAS-88-117**

**Friday**

**17 June 1988**

# Daily Report

## East Asia

FBIS-EAS-88-117

### CONTENTS

17 June 1988

#### NORTHEAST ASIA

##### Japan

Talks With U.S. on Trade Dispute Continue .....	1
Appear 'Deadlocked' .....	1
No Deadline Set .....	1
GATT Fails To Discuss U.S.-Japan Trade Issue .....	2
Bank Governor Hails U.S. Trade Deficit Drop .....	2
Minister Threatens To Suspend U.S. Pact .....	2
Documents on Nuclear Pact Exchanged With U.S. ....	2
Foreign Ministry on Investment Pact With PRC .....	3
Takeshita Leaves for Toronto Summit .....	3
Discusses Fair, Satellites .....	3
Considers Regional Summit .....	3
Finance Minister on Summit Discussion Topics .....	4
INF Treaty Inspection Team To Arrive .....	4
GNP Rise Reported in First Quarter .....	4
Defense Outlays Under 1 Percent of GNP .....	5
LDP Policy Chief Leaves for U.S., Brazil .....	5

##### Mongolia

Commentary on Cambodian 'Cocktail Party' .....	5
--	---

##### North Korea

Yi Song-ho Comments on U.S.-USSR Summit .....	6
South 'Security' Explanation Criticized .....	7
KCNA Notes Younger Chon's U.S. 'Property' .....	8
South Official Begs for 'Assistance' from U.S. ....	8
Daily Attacks U.S. Olympic 'Arms Buildup' .....	8
DFRF Denounces U.S., South for Obstructing Talks .....	9
Premier Yi Kun-mo To Visit Iran 'Shortly' .....	9
CPC Delegation Continues Official Visit .....	9
Attends WPK Hosted-Banquet .....	9
Visits Cemetery, Tower .....	9
Visit Mangyongdae .....	10
Ho Tam Departs for Conference in GDR .....	10
Papers Greet Iceland on National Day .....	10
Anniversary of DPRK, Bulgaria Cooperation .....	11
Hungarian Government Delegation Pays Visit .....	11
Meets With Kim Pok-sin .....	11
Signs Technological Protocol .....	11
PDRY, Czech Delegations Arrive 17 June .....	11
Burkina Faso Delegation Pays Goodwill Visit .....	12
Delegation Arrives 17 June .....	12
Dailies Welcome Minister .....	12
Thais Demonstrate at South Embassy in Bangkok .....	12
Papers on Solidarity With South African People .....	12
North Registers Dead Protestor in University .....	13

World Festival Group Holds Fourth Meeting .....	13
VNS Denounces No's 'Splittist' Policy .....	14
No Tae-u Remarks on Student Talks Denounced /VNS/ .....	16
VNS on Adopting Correct Struggle Slogans .....	16

### South Korea

Council To Study Communist Ties Established .....	17
Anti-U.S. Sentiment 'Contentious' Issue /HANGYORE SINMUN 7 Jun/ .....	18
Ahn Pyong-hwa Postpones U.S. Visit /THE KOREA HERALD 17 Jun/ .....	19
Summary of No, Takesita Phone Conversation /THE KOREA HERALD 17 Jun/ .....	19
Defense Minister Meets Indonesia's Murdani .....	20
GATT Official Carlisle To Arrive 19 June .....	20
Chief Justice Kim Yong-chol Resigns 17 June .....	20
Finance Ministry To Liberalize Investments .....	20
Strikes Continue To Slow Auto Industry .....	21
Samsung Workers Booked on Kidnapping Charges /THE KOREA HERALD 17 Jun/ .....	21
Hyundai Officials Indicted for Kidnapping /THE KOREA HERALD 17 Jun/ .....	21
Inchon Citizens Clash With Students /THE KOREA TIMES 17 Jun/ .....	22
Student Demonstration Near Chon House Blocked /THE KOREA TIMES 17 Jun/ .....	22

## SOUTHEAST ASIA

### Burma

Students Set Deadline for Answer to Demands /AFP/ .....	23
---	----

### Brunei, Malaysia & Singapore

#### Malaysia

Mahathir Says New UMNO To Run in By-Elections .....	23
Airline Signs Pact With PRC Civil Aviation .....	24
VOMD Commentary on Security White Paper .....	24

#### Singapore

Opposition Politicians Fined for Speeches /AFP/ .....	26
---	----

#### Cambodia

Hun Sen on Country's Major Problems /MBC TV Network/ .....	27
UN Report Says 92,000 Tons of Rice Needed /BANGKOK POST 17 Jun/ .....	28
Article Views Khmer Rouge, SRV Withdrawal /BANGKOK POST 17 Jun/ .....	28
Army Paper Urges Building Localities .....	29
Heng Samrin Tours Kampot Province 11-13 June .....	31
Party-State Delegation Leaves for GDR .....	31
VOK Says Japan To Invite Son Sann for Visit .....	31
Resistance Forces Occupy Villages, Communes /VOK/ .....	31
Attack by DK Troops on Vietnamese Base Reported /VOK/ .....	31
SRV Position in Battambang Said Liberated /VONAL K/ .....	32

#### Indonesia

Kampuchean Parties Expected To Attend Meeting .....	32
Sudharmono Interviewed on Golkar Leadership .....	32
Further on ANTARA Interview .....	33
Security Minister on Need for Screening PKI /TEMPO 11 Jun/ .....	34

**Laos**

Sali Vongkhamsoa Meets Soviet Delegation .....	35
Minutes on Soviet Communication Accord Signed .....	35
Briefs: .....	35
Lao Delegation To USSR .....	35

**Philippines**

Senators Call for Immediate Decision on Bases .....	35
Paper Views Conversion of Military Bases .....	36
Poll Assesses Vice President Laurel / <i>BUSINESS WORLD</i> 17 Jun/ .....	36
'Cronies' Set To Testify Against Marcos / <i>PHILIPPINE DAILY INQUIRER</i> 17 Jun/ .....	38
Military Reveals Rightist, Leftist Plots .....	39
Former Ver Follower Linked to Camp Attack .....	39
Media Warned About Guerrilla Coverage / <i>PHILIPPINE DAILY GLOBE</i> 17 Jun/ .....	39
Secretary Ramos Holds Dialogue in Jolo .....	40
Kidnappings Hamper Italian Aid Projects / <i>BUSINESS STAR</i> 16 Jun/ .....	40
Quezon Province NPA Headquarters Captured .....	41
Muslim Separatist Leader Surrenders in Mindanao .....	41
Congressmen To Visit China, Soviet Union .....	41
Manglapus To Seek Unqualified ASEAN Support .....	41
Banker Cites Strategies for Debt Reduction / <i>BUSINESS STAR</i> 17 Jun/ .....	42

**Thailand**

Sitthi-Nguyen Co Thach Talks Continue .....	43
Discuss Cambodian Problem / <i>KYODO</i> / .....	43
Sitthi Reports on Meeting .....	43
Nguyen Co Thach Comments / <i>THE NATION</i> 17 Jun/ .....	43
Sitthi Invited to Jakarta Meeting / <i>AFP</i> / .....	45
Khmer Rouge Guerrillas Burn Down SRV Outpost / <i>THE NATION</i> 17 Jun/ .....	45
Vietnam, PRC Campaign 'Interference' Viewed / <i>SIAM RAT</i> 16 Jun/ .....	46
Army Spokesman on Chinese Arms Stockpile / <i>THAI RAT</i> 16 Jun/ .....	46

**Vietnam**

Talks on Emigration Scheduled With U.S. / <i>AFP</i> / .....	46
Official Comments on Troop Withdrawal, Talks .....	47
PRC Oceanographic Station in Spratlys Viewed .....	48
Southeast Asia Trade Union Seminar Held .....	48
Vo Van Kiet Thanks Sweden for Emergency Aid .....	48
Oil Exploration, Exploitation Contract Signed .....	48
Dong Nai Province Moves To Cut Tax Shortfall .....	49
Memorial Service Held for Archbishop .....	49
Briefs .....	50
Photo Exhibit on Spratlys .....	50
Dong Da Group Visits France .....	50
Friendship Order Conferred .....	50

**AUSTRALASIA**

**Australia**

Hawke on Port Access for Soviet Trawlers .....	51
--	----

**Fiji**

New Decree Gives Security Forces Wider Powers / <i>AFP</i> / .....	51
--	----

**Japan**

**Talks With U.S. on Trade Dispute Continue**

OW1706072488 Tokyo KYODO in English 0500 GMT  
17 Jun 88

[Text] Tokyo, June 17 KYODO—Takashi Sato, minister of agriculture, forestry and fisheries, said Friday it is yet to be seen whether U.S. Trade Representative Clayton Yeutter will visit Tokyo Saturday as scheduled to help solve the U.S.-Japan beef and orange trade dispute.

Speaking to reporters after a regular cabinet session, Sato said, "I cannot say at this moment whether we have a definite perspective for Yeutter's visit to Japan over the weekend."

"We are now having intensive talks with the United States (in the working-level discussions) and have been making strenuous efforts in this direction," he said.

"If circumstances allow us to hold ministerial talks, we will ask Yeutter to visit Japan," he added.

Sato's remarks are interpreted as meaning that the current negotiations in Tokyo have run into unexpectedly tough going.

Reports from Washington quoted Yeutter as saying that the U.S. is "pessimistic" about an imminent beef and orange agreement with Japan due to slow progress in the Tokyo talks.

"If it appears to me that we are not likely to reach settlement, there is no point in my wasting the time and expense of going to Tokyo," he said during a White House briefing.

**Appear 'Deadlocked'**

OW1706031088 Tokyo KYODO in English 0135 GMT  
17 Jun 88

[Text] Tokyo, June 17 KYODO—Bilateral talks here between Japan and the United States on a beef and orange trade dispute appear deadlocked, with the two sides divided over the length of Japanese emergency tariffs on imports of U.S. beef, Japanese officials said Friday.

After failing to solve the dispute in a third round of working-level talks, the two sides discussed the issue unofficially until midnight Thursday with Hideto Maki, vice minister of agriculture, forestry and fisheries for international affairs, and U.S. Deputy Trade Representative Michael Smith attending, the officials said.

However, Japan's insistence that no deadline should be set on such tariffs was rejected by the U.S., which said Japan should be allowed to impose the tariffs only for the initial three years.

The two nations are expected to resume the working-level talks on Friday but it is not yet known if there will be talks between U.S. Trade Representative Clayton Yeutter and Japan's Agriculture Minister Takashi Sato before Prime Minister Noboru Takeshita meets U.S. President Ronald Reagan in Toronto on June 20, the officials said.

They quoted Smith as saying Yeutter's visit to Tokyo, originally set for Saturday, depends on what new proposals Japan may make.

During Thursday's talks Japan proposed a cut in emergency fixed tariffs to 60 percent instead of 70 percent, as proposed earlier, with a reduction to 50 percent after three years, officials said.

Japan also proposed an increase of beef imports to more than 50,000 tons a year until the liberalization, the officials said, adding that Japan is considering opening up its domestic beef markets in two years instead of three years as proposed originally.

On orange imports, Japan proposed liberalization of trade in oranges in three years and of orange juice in four years instead of the previous figure of five years, the officials said.

The U.S. agreed basically to Japan's idea on liberalization of orange imports, but called on Japan to reduce tariffs for oranges from the current 20-40 percent and those for grapefruit from the current 12-25 percent.

**No Deadline Set**

OW1606104488 Tokyo KYODO in English 0925 GMT  
16 Jun 88

[Text] Tokyo, June 16 KYODO—Prime Minister Takeshita has "not set any deadline" for a solution to the protracted beef and orange trade dispute with the United States, a Japanese Foreign Ministry official said Thursday.

The highly-placed official said, in a weekly press briefing, that the media has speculated that Takeshita had set deadlines for a compromise solution to be worked out on market liberalization by the meeting two weeks ago with President Ronald Reagan in London or by the Toronto summit which begins Sunday.

"All are not correct," he said. "We don't have any time set." He said the prime minister instead hopes for an "early solution" to the knotty issue.

The senior ministry official said the course of the dispute now depends on the amount of progress made in the current round of negotiations in Tokyo between U.S. Deputy Trade Representative Michael Smith and Hideto Maki, vice minister of agriculture, forestry and fisheries for international affairs.

17 June 1988

## NORTHEAST ASIA

If progress is made in the talks, Japan will invite U.S. Trade Representative Clayton Yeutter to Tokyo to meet with Agriculture, Forestry and Fisheries Minister Takashi Sato for another top-level attempt to a settlement, the official said. Yeutter told reporters Wednesday that he was optimistic about the Tokyo talks.

The official said Prime Minister Takeshita still hopes that bilateral talks can be continued while a panel of the General Agreement of Tariffs and Trade holds discussions on the issue.

**GATT Fails To Discuss U.S.-Japan Trade Issue**  
*OW1706030688 Tokyo KYODO in English 0138 GMT  
 17 Jun 88*

[Text] Geneva, June 16 KYODO—The General Agreement on Tariffs and Trade (GATT) ended its two-day council meeting here Thursday without discussing the Japan-U.S. dispute over beef and orange trade, GATT sources said.

The U.S. reiterated its demand for Japan to implement February's GATT ruling that had called on Japan to lift import restrictions on 12 agricultural products, the sources said.

The U.S. also proposed starting discussions on the issues based on GATT rules as early as this fall and Australia and the European Community (EC) nations agreed to join in the discussions, they said.

Meanwhile, Japan and the United States were continuing working-level talks in Tokyo to try to solve their dispute over Japan's beef and orange import curbs bilaterally but the talks have reached stalemate, Japanese officials said late Thursday in Tokyo.

**Bank Governor Hails U.S. Trade Deficit Drop**  
*OW1506144288 Tokyo KYODO in English 1240 GMT  
 15 Jun 88*

[Text] Tokyo, June 15 KYODO—Bank of Japan Governor Satoshi Sumita said on Wednesday the greater-than-expected reduction in the U.S. trade deficit will contribute much to the stability of the world's financial and foreign exchange markets.

"An improvement of the U.S. trade balance is a great precondition to development of the world economy," Sumita told a regular press conference.

The U.S. trade deficit shrank to 9.89 billion dollars in April, the lowest since December 1984.

Sumita went on to say the central bank will maintain its current stance in monetary policy while closely monitoring commodity prices and exchange rates.

The top official of the central bank said higher prices of some commodities like aluminum, wheat, soybeans, steel and videotape recorders will not lead immediately to inflation.

Sumita predicted the growth of the Japanese economy, which he said will continue to expand strongly led by brisk domestic demand, will stay even in the second half of fiscal 1988 ending next March, after a slight slowdown in the April-June quarter.

**Minister Threatens To Suspend U.S. Pact**

*OW1706074588 Tokyo KYODO in English 0504 GMT  
 17 Jun 88*

[Text] Tokyo, June 17 KYODO—Construction Minister Ihei Ochi threatened Friday to suspend a reciprocal construction market-opening agreement signed in May with the United States if Washington fails to honor the promises it made in the pact.

Ochi was referring to the approval Wednesday in the U.S. Senate by a majority vote of a provision to shut out foreign firms after this October from nations judged to be closing their construction markets to U.S. firms.

He told reporters after a regular cabinet meeting, "we are faithfully sticking to the bilateral agreement."

"If the U.S. honors the agreement, and does not shut out Japanese firms even after October, we will not suspend it. Otherwise, we cannot help it," he said.

**Documents on Nuclear Pact Exchanged With U.S.**  
*OW1706044788 Tokyo KYODO in English 0320 GMT  
 17 Jun 88*

[Text] Tokyo, June 17 KYODO—Japan and the United States exchanged diplomatic documents Friday on a new bilateral nuclear pact which will allow Japan more freedom in reprocessing nuclear fuel, the Foreign Ministry said.

The 30-year agreement, which goes into effect July 17 and replaces one signed in 1968, enables air transport of plutonium to Japan from Britain and France.

Under the accord, Japan will not be required to seek U.S. approval for the transfer of U.S.-supplied nuclear fuel to Britain or France, or when it reprocesses nuclear fuel in Japan.

In addition, the pact also stipulates that Japan will airlift the plutonium from Britain and France after it has been extracted by reprocessing plants in the two countries at Japan's request.

The agreement is expected to give momentum to Japan's long-term policy to promote recycling of nuclear fuel, officials said.

**Foreign Ministry on Investment Pact With PRC**  
*OW1706095888 Tokyo KYODO in English 0921 GMT  
17 Jun 88*

[Text] Tokyo, June 17 KYODO—Japan and China will hold negotiations for a bilateral investment guarantee agreement June 20-25 in Tokyo, the Foreign Ministry said Friday.

Sakutaro Tanino, deputy head of the Asian Affairs Bureau of the Foreign Ministry, will head the Japanese team and Wang Zhenpu, deputy director of the Department of Treaty and Law of the Foreign Economic Relations and Trade Ministry, will lead the Chinese side.

Chinese Premier Li Peng had expressed hope that the two countries would resume negotiations on an investment protection agreement, which have been suspended since September 1985, when Foreign Minister Sosuke Uno visited Beijing in early May.

The two countries hope to iron out differences and conclude negotiations before Prime Minister Noboru Takeshita's visit to China planned in late August.

**Takeshita Leaves for Toronto Summit**  
*OW1606100388 Tokyo KYODO in English 0836 GMT  
16 Jun 88*

[Text] Tokyo, June 16 KYODO—Prime Minister Noboru Takeshita left for Toronto, Canada, by special plane Thursday to attend a three-day summit of seven major industrial democracies opening Sunday.

Takeshita was accompanied by Foreign Minister Sosuke Uno, Finance Minister Kiichi Miyazawa and International Trade and Industry Minister Hajime Tamura.

The Japanese delegation to the 14th annual gathering will fly to Vancouver Thursday morning (early Friday Japan Time) for an overnight stay.

Takeshita will arrive in Toronto Friday evening (Saturday morning Japan Time) to join the heads of government of the United States, Canada, Britain, France, West Germany and Italy as well as the president of the European Community (EC) Commission.

He will confer with Canadian Prime Minister Brian Mulroney Saturday. He is also scheduled to meet with U.S. President Ronald Reagan Monday.

Takeshita will leave Toronto Wednesday for Chicago, where he will attend a reception sponsored by the Japanese business community there and a dinner sponsored by the U.S.-Japan Society of Chicago.

He will return home June 26 after resting in Hawaii June 23-25.

**Discusses Fair, Satellites**

*OW1706080288 Tokyo KYODO in English 0627 GMT  
17 Jun 88*

[Text] Vancouver, Canada, June 17 KYODO—Japanese Prime Minister Noboru Takeshita urged the Canadian Province of British Columbia on Thursday to participate in an international fair on flowers and greenery slated for Osaka, western Japan, in 1990.

Takeshita, here on his way to Toronto for a seven-nation summit opening Sunday, made the request during a 30-minute meeting with British Columbia Premier Bill Vander Zalm, Japanese officials said.

Vander Zalm told Takeshita the province is discussing ways for both private and public interests to participate in the fair, the officials said.

The two men conferred in Tokyo during the Canadian official's visit last October just after Takeshita was named to succeed Yasuhiro Nakasone as prime minister.

Meanwhile, Takeshita phoned to Posts and Telecommunications Minister Masaaki Nakayama from a chartered plane in a conversation that was a trial of a satellite linkup during a flight from Tokyo to Vancouver.

The satellite telephone system now in an experimental stage will permit calls from an airplane at any point around the world when it is put into commercial use, the officials said.

They quoted Takeshita as saying he could hear Nakayama's voice more clearly than expected during the three-minute call.

Takeshita and his party will fly to Toronto on Friday.

**Considers Regional Summit**

*OW1706060788 Tokyo KYODO in English 0426 GMT  
17 Jun 88*

[Text] Vancouver, Canada, June 16 KYODO—Japanese Prime Minister Noboru Takeshita is considering calling a summit meeting of Pacific-rim nations to discuss regional issues, his aides said Thursday.

Takeshita is tackling the matter as one of his medium-term diplomatic tasks in connection with his policy of Japan achieving a greater contribution to the international community, they said.

He flew into Vancouver earlier in the day on his way to Toronto for a seven-nation summit opening Sunday. He will proceed there Friday.

Takeshita is expected to discuss the Pacific summit plan with Australian Prime Minister Bob Hawke, who has a similar idea, during his visit to Canberra starting July 1, the aides said.

The idea of Pacific-rim cooperation was broached in the late 1970s by Japanese business and academic leaders. It has led to the establishment of the Pacific Economic Cooperation Conference (PECC), which held its latest meeting in Osaka, Japan, in May.

Countries represented at the Osaka meeting included the six member states of the Association of Southeast Asian Nations (ASEAN), as well as China, South Korea, Canada, the United States, Australia and New Zealand. The Soviet Union, which calls itself a Pacific nation, also attended with observer status.

Takeshita plans to include Latin American nations such as Mexico and Chile as well as the PECC members in the planned Pacific summit but wants to exclude the Soviet Union, the aides said.

He is expected to visit some Latin American countries between late this year and early next year, laying the groundwork for the proposed summit, they said.

Takeshita exchanged views with his predecessor, Yasuhiro Nakasone, on the idea in May, they said. Nakasone, who handed the reins of government to Takeshita last November, proposed at the PECC session the creation of a pacific version of the Organization for Economic Cooperation and Development (OECD), a Paris-based club of 24 industrial democracies.

But Takeshita hopes to avoid developing a Pacific summit into an economic bloc closed to outsiders and instead make it an arena for discussion on ways of achieving regional cooperation, the aides said.

#### Finance Minister on Summit Discussion Topics

OW1706051888 Tokyo KYODO in English 0219 GMT  
17 Jun 88

[Text] Tokyo, June 17 KYODO—Finance Minister Kiichi Miyazawa said on Friday finance ministers from the seven leading Western nations will discuss exchange rate stability, debt problems of Third World countries and newly industrialized nations (NICs) in their meeting at the economic summit in Toronto, Canada, June 19-21.

He told a press conference after a cabinet meeting the top financial leaders will assess the present comparative stability of exchange rates, which he said results from policy coordination among G-7 [Group of Seven] countries.

Miyazawa, who is due to leave for Canada at noon Friday to attend the summit meeting, also said he is cautious about a proposal by U.S. Treasury Secretary James Baker to tighten controls on financing by private money institutions to the Soviet Union.

#### INF Treaty Inspection Team To Arrive

OW1706043388 Tokyo KYODO in English 0354 GMT  
17 Jun 88

[Text] Tokyo, June 17 KYODO—A U.S. on-site inspection team will arrive in Japan this month ready to begin monitoring scrapping of Soviet missiles in Asia under the intermediate-range nuclear forces (INF) treaty and will be deployed at the U.S. air base at Yokota in suburban Tokyo, the Foreign Ministry said Friday.

Under the INF treaty, the United States and the Soviet Union will totally abolish 500-1,000 kilometer shorter-range missiles in 18 months and 1,000-5,500 kilometer medium-range missiles in three years in Europe, Soviet Asia and the United States.

The size of the inspection team is not known.

#### GNP Rise Reported in First Quarter

OW1606131988 Tokyo KYODO in English 0816 GMT  
16 Jun 88

[Text] Tokyo, June 16 KYODO—Japan's gross national product (GNP) grew a real 2.7 percent in the January-March quarter of this year, which translates into an annual rate of 11.3 percent, the biggest expansion pace in 11 years, the Economic Planning Agency [EPA] announced Thursday.

The nation's output of goods and services in fiscal 1987, which ended in March, totaled an inflation-adjusted 316.61 trillion yen, up 4.9 percent from the previous year and far above the government's target of 3.7 percent.

The hefty January-March GNP growth pace is due to buoyant consumer spending and private-sector capital investment, agency officials said.

Consumer spending, which normally accounts for about 55 percent of GNP, rose 2.6 percent in the first quarter, which converts to a record annualized figure of 10.9 percent. The previous highest rate was in the October-December period of 1978, when a 10.7 percent-per annum expansion was registered.

According to the agency's estimates, employees' income in the quarter came to 171,916.5 billion yen, up 2.5 percent, following a 1.9 percent increase in the preceding three-month term.

Private-sector investment in factories and equipment posted a 3.6 percent quarter-to-quarter increase, centering on manufacturers.

An agency economist said the economy was in "normal orbit," led by a brisk expansion of domestic demand with less dependence on exports.

The economist said he is confident there is no threat of inflation in spite of the high GNP growth rate.

In fiscal 1987, the GNP inflation deflator suffered a moderate 0.1 percent fall, the first since GNP reports began to be compiled in 1955, helped by lower prices of imports due to the yen's appreciation against the U.S. dollar.

Domestic demand factors accounted for 2.8 percent of the total 2.7 percent figure in the January-March quarter, while net exports reduced it by 0.1 percent.

Exports and receipts from invisible trade increased 3.5 percent from the previous quarter to 57,419.7 billion yen, while imports and payments for services rose 4.3 percent to 53,414.9 billion yen.

Public-sector fixed capital formation or public works jumped 10.8 percent in the January-March quarter to 26,045.3 billion yen as a result of the government's 6 trillion yen package of pump-priming measures last year.

Meanwhile, the expansion rate of housing starts fell to 1.0 percent in the January-March quarter, following a 23.9 percent increase in the previous three-month period, though an agency official said the level of housing starts remains high.

Agency officials predicted the nation's GNP will slow down to a growth tempo of near zero in the April-June quarter, because of an expansion of imports and a dramatic decline in public works.

**Defense Outlays Under 1 Percent of GNP**  
*OW1606112488 Tokyo KYODO in English 1029 GMT  
16 Jun 88*

[Text] Tokyo, June 16 KYODO—Japan's defense spending amounting to 3.45 trillion yen in fiscal 1987 is certain to be within 1 percent of the country's gross national product (GNP) for that year, according to official statistics released Thursday.

The Economic Planning Agency announced that Japan's nominal GNP for fiscal 1987 ending in March 1988 totaled 350,769,700,000,000 yen, up 4.8 percent from the preceding fiscal year.

The government initially earmarked 3,517,400,000,000 yen for defense outlays, anticipating the GNP would amount to 350,400 billion yen during fiscal 1987.

The defense outlays in this calculation would be 1.004 percent of the GNP, exceeding for the first time the 1 percent ceiling imposed by the government in 1976.

But because of the GNP figure released by the EPA Thursday and the fact the actual defense outlays were believed to have totaled 3,455,000,000,000 yen, the percentage in relation to the GNP was barely held within 1 percent at 0.985 percent.

Officials explained that the military spending amounted to less than the figure the government originally worked out because of the yen's appreciation against the dollar.

**LDP Policy Chief Leaves for U.S., Brazil**  
*OW1506152488 Tokyo KYODO in English 1249 GMT  
15 Jun 88*

[Text] Tokyo, June 15 KYODO—Liberal Democratic Party Policy Board Chairman Michio Watanabe left Wednesday for a 12-day tour to the United States and Brazil.

Watanabe will deliver a speech in New York Thursday and heads for Brazil Friday, where he will attend events marking the 80th anniversary of Japanese emigration to that country.

He will again return to the United States June 21-24 for talks with American political leaders in Washington before returning to Tokyo June 26.

**Mongolia**

**Commentary on Cambodian 'Cocktail Party'**  
*OW 1706045088 Ulaanbaatar International Service  
in English 0910 GMT 16 Jun 88*

[Station commentary]

[Text] This is an outline of a conference on the Kampuchean issue, slated in the Indonesian capital Jakarta in the coming July. The idea of this meeting, widely known as the cocktail [party] in Jakarta, had been advanced by the ASEAN six, and was in principle coordinated at the Vietnamese-Indonesian talks in Ho Chi Minh [City] in the spring of 1987. An important (?moment) of the joint communique, then signed by the two countries' foreign ministers, was a political settlement of the Kampuchean problems, simply solved by the Kampuchean themselves. These could be taken for granted. But then, in spring last year, everything was much too simple. Any constructive idea on the Kampuchean settlement was given a hostile reception by influential circles which put stake on the return of Pol Pot butchers to power in Kampuchea.

Over the past period, the tension around Kampuchea has somewhat relaxed. This was promoted by two rounds of talks held in France between head of the Kampuchean government Hun Sen and Khmer opposition leader Prince Norodom Sihanouk. But stronger influence on the situation and the mood in Southeast Asia came from what has happened in Geneva on April 14 this year. The signing there of agreement on Afghanistan summed up

17 June 1988

the outcome of the [word indistinct] talks on one of the most complicated regional problems of our days, showing to the entire world a model of settling conflict situations.

The Geneva agreement that came into force from May 15 this year, gave another impulse to the search of peace in Southeast Asia.

China has always been playing an important role in the developments around Kampuchea and right after Geneva incident a positive step was observed in the Chinese position. China has officially declared that it no longer insists on Pol Pot's return to power in Kampuchea. This is undoubtedly a very important pronouncement, clearing the way it was permanently. [as heard] But at the same time, it is impossible to forget that the position of the Chinese leadership will achieve full sense only after China completely stops its armed delivery to the Pol Potavite armed formations. Only then will there be a serious guarantee for a nonreturn to Phnom Penh of the bloody gang whose role in the years between 1975-78 took away the lives of 3 million Kampucheans.

Still, there are no signs whether China will stop its aid to Pol Pot or not.

Prince Norodom Sihanouk, a person well informed on the matters in the Khmer opposition, had spoken about it the other day. Referring to the continuing Chinese aid to Pol Pot, the president expressed apprehension that the Khmer Rouge had been just waiting for the Vietnamese troops to pull out from Kampuchea in the hope to get hold of power in the capital. Maybe the prince was too much [words indistinct] but what he had said was worth attention.

The governments of Vietnam and Kampuchea, getting prepared for the so-called cocktail [party] in Jakarta, are going along the way they have outlined. Late this May, they had made public a new important decision, to withdraw by the end of 1988, 50,000 Vietnamese volunteers, that is a half of the Vietnamese military contingent temporarily stationed on the Kampuchean territory. The Vietnamese troop withdrawal will be finished by the late nineties. Of course, Vietnam and Kampuchea take into account of the dangers posed to the Kampuchean population by the continuing armaments of the Pol Potavites bands. But they hope that this issue, too, can be settled through political means. For this, it is imperative to achieve a cessation of foreign aid to the Pol Potavites and neutralize the military organization of the Khmer Rouge. And all (?Khmer sides) failed to have reached an understanding that Pol Pot and his closest accomplices should not take part in the settlement matter. They have been guilty [words indistinct]. Behind the negotiations in Jakarta there will be no criminals. There, it had been agreed, would be present, in the first stage, only the representatives of the Kampuchean Government, of the groupings of Sihanouk, Son Sann, as well as Khmer Rouge, excluding Pol Pot and his entourage.

At the second phase, seats behind the negotiating tables are to be taken by delegates of Indonesia and Thailand, representing ASEAN, as well as envoys of Vietnam and Laos, from the Indochina countries. The situation is promising. We have only to wait and see how the sides will make better use of the opening opportunities.

### North Korea

**Yi Song-ho Comments on U.S.-USSR Summit**  
*SK1706005088 Pyongyang Domestic Service in Korean  
 1300 GMT 12 Jun 88*

[“Text” of statement by Yi Song-ho, vice chairman of the Korean National Peace Committee released in Pyongyang on 12 June—read by announcer]

[Text] The Soviet-U.S. summit talks were held in Moscow from 29 May to 2 June. In the talks, a protocol was signed on exchanging standard documents of the Soviet-U.S. Intermediate-Range Nuclear Forces Treaty and issues on bilateral relations including the issue of arms limitation and reduction and the issue of mediation of regional disputes were discussed.

A highest-level joint communique was announced with regard to the results of the meeting between the supreme leaders of the Soviet Union and the United States. In the joint communique, the two sides confirmed their position that there cannot be a victor in a nuclear war and that nuclear war should not break out and affirmed their resolution to prevent the war.

The joint communique pointed to the need for continued dialogue over the important issues of the international situation including the issue of nuclear arms reduction, the regional issues, and the issue of bilateral relations. It was a result of the consistent peace efforts of the Soviet party and government for nuclear disarmament and for a durable peace and security in the world that the summit talks were held although there were serious differences in view between the Soviet Union and the United States.

The Korean people actively support the Soviet peace initiatives for realizing nuclear disarmament, relaxing tension, and ensuring the sound development of the international situation and highly estimate the stand and sincere activities of the Soviet Union at the Soviet-U.S. summit talks.

Preventing the danger of a nuclear war, which is increasing each day because of the imperialists today, and realizing complete disarmament are a fundamental issue for ensuring durable peace and security of the world. The people of the world wish the creation of a new, nuclear-free world. Proceeding from its consistent determination to defend world peace and security, the Soviet Union also put forth a series of proposals at the summit.

On the contrary, the United States, persisting in its Star Wars program, laid obstacles to the progress of the summit and openly disclosed its design to attain military and nuclear supremacy. The true color of the United States was fully laid bare when the situation prevailing on the Korean peninsula was discussed.

Reagan took a very negative stand on the constructive and dialogue-oriented affirmative proposals of the government of our Republic, which strives to make a contribution to the cause of world peace by solving the Korean problem in a peaceful way. This proves once again that although it talks about peace and the peaceful reunification of Korea, the United States in actuality is not interested in the peaceful solution of the Korean problem.

The government of our Republic is making every sincere effort to ease tension on the Korean peninsula, to ensure world peace and security and to open a phase favorable to the peaceful reunification of the nation.

Even recently, we put forth proposals to hold tripartite talks, to make the Korean peninsula a nuclear-free, zone of peace, to hold North-South high-level political and military talks and to realize the phased arms reduction. We also showed a practical example of unilaterally reducing a large number of troops.

The peace-loving people of the world fully support and welcome our steps and wish that the South Korean authorities and the United States would respond to them. This year we put forth a proposal to hold a North-South joint conference. Following this, we again made a proposal to have bilateral or multilateral contacts and talks between each political party, each faction, and the representatives from all walks of life in the North and South even before holding the North-South joint conference.

At the talks, Comrade Mikhail Sergeyevich Gorbachev urged Reagan to respond to the constructive stand and proposals of our party and government for peace and peaceful reunification of Korea, expressing support for them. This is a clear manifestation of the invariable support of the Soviet party, government, and people to our people's struggle for the independent and peaceful reunification of the country.

Although the overall international situation shows a trend of detente, the situation on the Korean peninsula, which is a focal point in the world's political situation, has not been improved but is being strained with each passing day.

The U.S. imperialists and the South Korean puppets are now not only further adhering to the two Koreas policy, but are also further aggravating the situation by frantically waging an anti-Republic commotion under the pretext of a nonexistent threat from the North and the security of the Olympics. This is not only a serious

challenge to the desire of all Korean people who eagerly want peace and national reunification, but is also an act that runs counter to the aspirations of the progressive people of the world who desire durable peace in the world. Therefore, it should be subjected to due condemnation.

At the Soviet-U.S. summit talks, the United States contended as if other persons are to blame for the division of the Korean peninsula. This vividly shows the aggressive nature of the U.S. imperialists. The United States can never evade its responsibility for the division of Korea or its position as the other party to dialogue for the resolution of the Korean issue. The United States should show its sincerity for the settlement of the Korean issue and should affirmatively respond to our realistic proposals for peace.

The Korean people hope that the Soviet-U.S. summit talks will make due contributions to guaranteeing peace and security in Asia and the Pacific, including the Korean peninsula, and the rest of the world and to the fulfillment of the common cause of mankind to build a new world free from nuclear weapons.

Our people will, in the future, too, actively struggle for durable peace in the Korean peninsula and the world in firm unity with the people of socialist countries and nonaligned countries and all the peace-loving people of the world.

[Dated] 12 June 1988, Pyongyang

**South 'Security' Explanation Criticized**

*SK1706051788 Pyongyang KCNA in English  
0504 GMT 17 Jun 88*

[Text] Pyongyang June 17 (KCNA)—The South Korean puppet Defence Ministry on June 15 gave "explanations on the security situation" to persons of opposition parties and dissidents, asserting with the outcries about "the North's advance deployment of armed forces", "surprise attack" and "strategy of unification by communization" that all matters must be dealt with on the "basis of security."

This is under fire in NODONG SINMUN today.

In a signed commentary the paper says:

This is one more smear advertisement to attain a sinister purpose.

It is our consistent stand to relax the tensions on the Korean peninsula and solve the problem of national reunification peacefully on the basis of reconciliation and unity of the North and the South.

No matter how the South Korean military gangsters may clamour about the fictitious "threat", no one will believe.

**It is the U.S. imperialists and the South Korean puppets pulling their warchariot who are seeking aggression.**

By raising a hue and cry about "threat," the puppets intend to divert elsewhere the attention of the South Korean people who are longing for the reunification of the country, legalise their suppression of the patriotic forces desirous of reunification under the pretext of "security" and divorce the opposition forces and dissidents from the mass movement.

Due to the pro-communist, pro-North, anti-U.S. consciousness of independent reunification which is running higher among the people, the anti-communist system is collapsing, leading the ruling crisis of the puppets to a serious phase. the puppets scheme to launch a wholesale reactionary offensive against dissident forces under the pretext of "security," while clamouring about "threat from the North." This, however, is in vain.

The No Tae-u group must not kick up futile rackets but step down from power.

**KCNA Notes Younger Chon's U.S. 'Property'**  
*SK1706104488 Pyongyang KCNA in English*  
*1008 GMT 17 Jun 88*

[Text] Pyongyang June 17 (KCNA)—Part of the property Chon Kyong-hwan, a younger brother of the traitor Chon Tu-hwan, the former South Korean dictator, had amassed by illicit means and concealed in the United States has been made known to the public.

The first half issue of April of magazine KOREA REPORT published in Japan quoted its Washington correspondent as saying younger Chon purchased a farm of 500,000 pyong at Kingsfield in New Jersey state and a land of 50,000 pyong in Philadelphia, the United States. And he bought a 5.5 million dollar worth hotel in 32 Street, New York, in the name of Kwon Chong-nap, a relative of Kwon Chong-tal who was once secretary general of the "Democratic Justice Party."

Chon Kyong-hwan also bought a general merchandise store in 34 Street, New York, which was registered under a false name, and has funded a foodstuff company reportedly the biggest in New York.

Besides, he invested 3 million dollars in a company dealing with flowers in New York and 1 million dollars in publishing a newspaper with his underlings.

The magazine estimated younger Chon's illicit money deposited in the United States to be far more than was exposed.

**South Official Begs for 'Assistance' from U.S.**  
*SK1706043988 Pyongyang KCNA in English*  
*0426 GMT 17 Jun 88*

[Text] Pyongyang June 17 (KCNA)—The puppet minister of agriculture, forestry and fisheries begged for "assistance" in "structural improvement" of South Korean poor rural communities when he met with U.S. Ambassador Lilley on June 14, according to a radio report from Seoul.

Saying he was "under pressure from his home government" with regard to the opening of the South Korean market to agricultural and aquatic products and that, above all, this "should be settled on the basis of cooperation", Lilley demanded that the puppets import more U.S. surplus agricultural and aquatic products.

The radio called this a "plan for promoting cooperation" agreed upon between the master and the servant that day.

The puppets' talk about "cooperation" is aimed at toning down the voices of people against the U.S. imperialist market-opening pressure, at complying with the demand of their American master behind the scene and thus prolonging their remaining days.

There can be no relations of "cooperation" between the master and the servant but only relations of domination and submission.

**Daily Attacks U.S. Olympic 'Arms Buildup'**  
*SK1706112688 Pyongyang KCNA in English*  
*1000 GMT 17 Jun 88*

[Arms Buildup for War Game Query"—KCNA headline]

[Text] Pyongyang June 17 (KCNA)—NODONG SIN-MUN today, commenting on the decision of the U.S. imperialists to transfer their Japan-based fighter group to South Korea and strengthen "AWACS" as one of the measures for "Olympic security," says this move is part of preparations for a war game, not for "Olympic security."

In a signed commentary the paper says:

The U.S. imperialists are going to additionally dispatch their Armed Forces to South Korea, after they ordered the troops occupying South Korea and the puppet army to be in a combat posture and have kept a carrier task fleet and other large armed forces of aggression ready to "immediately go into an action" under the pretext of "guarantee for Olympic security".

Clear is the purpose of their frantic military action against the North under the pretext of the "Olympics." In case the socio-political crisis grows for the worse in South Korea and the Olympic games are not smoothly

heid, the U.S. imperialists intend to shift the blame for it on to the North and commit military provocations against the North. To this end, they are massing aggression armed forces in South Korea and exacerbating overt tension on the Korean peninsula. Their outcries about someone's "plan of terrorism" and a "sudden happening" are preposterous pretexts to cover up their criminal plots.

The U.S. imperialists are the warmaniacs, the harrassers of peace and shameless aggressors who are insulting the lofty ideals of the Olympics for friendship and peace.

The military frenzy of the U.S. imperialists threatening the Olympics is evoking deep concern among the sports circles and people of the world.

The U.S. imperialists must not use the Olympics as a smokescreen of their military frenzy but withdraw their armed forces of aggression from South Korea and take their hands of intervention off South Korea.

**DFRF Denounces U.S., South for Obstructing Talks**  
*SK1706044388 Pyongyang KCNA in English  
0430 GMT 17 Jun 88*

[Text] Pyongyang June 17 (KCNA)—Yu Ho-chun, director of the Secretariat of the Central Committee of the Democratic Front for the Reunification of the Fatherland, made a statement to the press on June 16 in connection with the fact that the June 10 North-South student talks failed to open due to the obstructions of the U.S. imperialists and the No Tae-u group.

He said that in barring the North-South student talks at the point of bayonet the No Tae-u group sought a sinister aim to play the solo in the question of dialogue and reunification, block the debate of people of different strata on reunification and their participation in dialogue and thus pursue a permanent division of the nation and "security of power".

Saying the South Korean students fought for the June 10 student talks, shedding blood, and recently proposed to hold student talks on August 15 and are vigorously struggling for this purpose, he went on:

This should be supported and praised by the whole nation.

The traitor No Tae-u should stop barring the North-South student talks, show an affirmative response to our proposal for the convocation of a North-South joint conference and refrain from laying hurdles in the way of bilateral or multilateral contact and talks of representatives of parties, groupings and people of different strata in the North and the South.

I express the hope that the parties, groupings and people of all walks of life will extend all support and unsparing encouragement so that the South Korean students' proposal of the August 15 student talks could be realised without fail.

**Premier Yi Kun-mo To Visit Iran 'Shortly'**  
*SK1706043588 Pyongyang KCNA in English  
0425 GMT 17 Jun 88*

[Text] Pyongyang June 17 (KCNA)—Yi Kun-mo, premier of the Administration Council of the Democratic People's Republic of Korea, will shortly pay a return visit to the Islamic Republic of Iran at the invitation of Mir Hussein Musavi, prime minister of the Islamic Republic of Iran.

**CPC Delegation Continues Official Visit**

**Attends WPK Hosted-Banquet**  
*SK1706081888 Pyongyang Domestic Service in Korean  
0400 GMT 11 Jun 88*

[Excerpt] The WPK Central Committee held a banquet at the People's Palace of Culture on the evening of 10 June in honor of the secretary of the CPC Tianjin Municipal Committee and his compatriots who are visiting our country.

Comrade Li Ruihuan, member of the Political Bureau of the CPC Central Committee and secretary of the Tianjin Municipal Party Committee; and his compatriots; and Wen Yezhan, the PRC's ambassador to our country; and the staff from the embassy were invited to the banquet.

Comrade So Yun-sok, member of the Political Bureau of the WPK Central Committee, responsible secretary of the South Pyongan Provincial Party Committee, and chairman of the South Pyongan Provincial People's Committee; Comrade Kang Hui-won, alternate member of the Political Bureau of the WPK Central Committee, responsible secretary of the Pyongyang Municipal Party Committee, and chairman of the Pyongyang Municipal People's Committee; Kim Yang-kon, deputy director of a department of the WPK Central Committee, and other relevant functionaries also attended the banquet. [passage omitted]

**Visits Cemetery, Tower**  
*SK1706083488 Pyongyang Domestic Service in Korean  
1300 GMT 11 Jun 88*

[Text] Comrade Li Ruihuan, member of the Political Bureau of the CPC Central Committee and secretary of the Tianjin Municipal Party Committee, and who is visiting our country, laid a wreath at the Taesongsan Revolutionary Martyrs Cemetery and at the Friendship Tower.

Comrade So Yun-sok, member of the Political Bureau of the WPK Central Committee, responsible secretary of the South Pyongan Provincial Party Committee, and chairman of the South Pyongan Provincial People's Committee; Kim Yang-kon, deputy director of a department of the WPK Central Committee; other relevant officials; Wen Yezhan, the PRC's ambassador to our country, and the secretary's compatriots were present at the wreath-laying ceremonies.

The KPA honor guards were standing at the Revolutionary Martyrs Cemetery and the Friendship Tower.

Comrade Li Ruihuan first laid a wreath at the Taesongsan Revolutionary Martyrs Cemetery.

While music for the wreath-laying played, the participants laid a wreath at the Martyrs Cemetery and paid silent tribute to those fallen anti-Japanese revolutionary patriots who gave their lives for the sacred cause of the fatherland's liberation and for the people's freedom and happiness.

The participants then toured the Revolutionary Martyrs Cemetery.

The comrade secretary then laid a wreath at the Friendship Tower.

While music for the wreath-laying played, the participants next laid a wreath at the tower and paid silent tribute to those fallen Chinese volunteers who sacrificed their lives in the fatherland liberation war against the U.S. imperialists.

The participants then toured the Friendship Tower.

#### Visit Mangyongdae

SK1706085688 Pyongyang Domestic Service in Korean  
1300 GMT 11 Jun 88

[Text] Today Comrade Li Ruihuan, member of the Political Bureau of the CPC Central Committee and secretary of the Tianjin Municipal Party Committee, and his compatriots visited Mangyongdae.

Comrade Kang Hui-won, alternate member of the Political Bureau of the WPK Central Committee, responsible secretary of the Pyongyang Municipal Party Committee, and chairman of the Pyongyang Municipal People's Committee; and Kim Yang-kon, deputy director of a department of the WPK Central Committee, accompanied the visitors.

After hearing the immortal story of the hometown house of Mangyongdae, the visitors attentively examined the historic relics.

The secretary and his companions took a photograph to remember their visit to the hometown house of Mangyongdae and toured the historic relics on Mangyongbong Hill.

Today the visitors also visited the Grand People's Study Hall.

At the end of his visit, Comrade Li Ruihuan said he felt much emotion about the internationally famous Study Hall. He said that the hall demonstrates the deep love of the WPK for the people, and that the WPK is exerting great efforts for the people, in particular, for the new generations.

The visitors also toured the Tower of the Chuche Idea, the Mansudae Assembly Hall, the Mangyongdae Amusement Park, the Kwangbok Street construction site, and the Nungnado Stadium construction site. They then expressed their good impressions of what they had seen.

#### Ho Tam Departs for Conference in GDR

SK1706115088 Pyongyang KCNA in English  
1028 GMT 17 Jun 88

[Text] Pyongyang June 17 (KCNA)—A delegation of the Democratic People's Republic of Korea led by Ho Tam, member of the Political Bureau, and secretary, of the Central Committee of the Workers' Party of Korea, left here Friday to attend the international conference for establishment of nuclear-free zone to be held in the German Democratic Republic.

It was seen off at the airport by Hwang Chang-yop, secretary of the WPK Central Committee, and others, the charge d'affaires ad interim of the GDR Embassy and the minister-councillor of the Soviet Embassy in Pyongyang.

#### Papers Greet Iceland on National Day

SK1706113188 Pyongyang KCNA in English  
1020 GMT 17 Jun 88

[Text] Pyongyang June 17 (KCNA)—NODONG SINMUN and MINJU CHOSON today print signed articles on the 44th anniversary of the proclamation of the Republic of Iceland.

NODONG SINMUN says: Iceland is developing friendly relations with many countries of the world.

Iceland established diplomatic relations with our country in July 1973.

This was of weighty significance in the development of friendly relations between the two peoples.

The Korean people extend congratulations to the Icelandic people on their national day and hope that the friendly relations between the two countries will develop more favourably in the future.

**MINJU CHOSON** says that the Korean people wish the Icelandic people bigger success in the endeavours for the independent development and prosperity of the country.

**Anniversary of DPRK, Bulgaria Cooperation**

*SK1706045788 Pyongyang KCNA in English  
0443 GMT 17 Jun 88*

[Text] Pyongyang June 17 (KCNA)—Papers here today dedicate signed articles to the fourth anniversary of the signing of the treaty of friendship and cooperation between Korea and Bulgaria.

The signing of the treaty was a fruition of the close friendly and cooperative relations between the two parties, two countries and two peoples of Korea and Bulgaria which are daily strengthening and developing on the basis of the intimacy between the party and state leaders of the two countries, and it marks a milestone in the Korea-Bulgaria friendship, NODONG SINMUN says, and continues:

Through several meetings and talks held in Pyongyang and Sofia, the great leader Comrade Kim Il-song and respected Comrade Todor Zhivkov laid a solid foundation to constantly develop the Korea-Bulgaria friendship.

Over the past 4 years, the friendly and cooperative relations between the Korean and Bulgarian peoples have beautifully blossomed in political, economic, cultural and all other fields in the spirit of the treaty.

The two peoples of Korea and Bulgaria are pressing ahead the revolution and construction, closely supporting and cooperating with each other, true to the spirit of the treaty.

Under the leadership of the Bulgarian Communist Party headed by Comrade Todor Zhivkov, the industrious Bulgarian people are striving to carry out the task of the scientific and technical revolution advanced at the 13th party congress and build a highly developed cultural socialist society.

The Bulgarian Communist Party, government and people are struggling to turn the Balkans into a zone of peace and cooperation free from nuclear and chemical weapons and for peace and security in Europe and the world.

The Korean people sincerely congratulate the Bulgarian people on their achievements in the building of socialism and express full support to their just struggle.

The fraternal Bulgarian people are extending positive support and solidarity for the Korean people in the struggle for socialist construction and national reunification.

The strengthening and development of the Korea-Bulgaria friendship is greatly helpful to the acceleration of the revolution and construction in the two countries and to the defence of world peace and security.

**MINJU CHOSON** notes: The Korean people who are proud of having such an intimate class brother as the Bulgarian people on the European Continent will make every possible effort to further expand and develop the friendly and cooperative relations between the two countries.

**Hungarian Government Delegation Pays Visit**

**Meets With Kim Pok-sin**  
*SK1606154488 Pyongyang KCNA in English  
1523 GMT 16 Jun 88*

[Text] Pyongyang June 16 (KCNA)—Vice-Premier Kim Pok-sin met and had a friendly talk with the Hungarian Government delegation for scientific and technological cooperation headed by Imre Szekacs, general director of the Bureau of the International Scientific-Technical Cooperation, at the Mansudae Assembly Hall on June 16.

Present there were Kim Ung-ho, vice-chairman of the State Commission of Science and Technology, and Kornidesz Mihaly, Hungarian ambassador to Korea.

**Signs Technological Protocol**  
*SK1606155588 Pyongyang KCNA in English  
1525 GMT 16 Jun 88*

[Text] Pyongyang June 16 (KCNA)—A protocol of the 13th meeting of the subcommittee of scientific and technological cooperation of the inter-governmental economic and scientific-technological consultative committee of the Democratic People's Republic of Korea and the Hungarian People's Republic was signed in Pyongyang on June 16. Present at the signing ceremony on our side were Kim Ung-ho, vice-chairman of the State Commission of Science and Technology, and other officials concerned and on the opposite side were the members of the Hungarian Government Delegation for Scientific and Technological Cooperation headed by Imre szekacs, general director of the Bureau of the International Scientific-Technical Cooperation, and Kornidesz Mihaly, Hungarian ambassador to Korea.

**PDRY, Czech Delegations Arrive 17 June**  
*SK1706121288 Pyongyang KCNA in English  
1031 GMT 17 Jun 88*

[Text] Pyongyang June 17 (KCNA)—A delegation of the Yemen Socialist Party headed by Muhammad Awad al-Sadi, member of the Central Committee of the Yemen Socialist Party and chairman of the economic and administrative committee of the People's Supreme Council of the People's Democratic Republic of Yemen,

17 June 1988

and a government cultural delegation of Czechoslovakia headed by Vice-Minister of Foreign Affairs Roman Narozny arrived in Pyongyang on June 17.

### Burkina Faso Delegation Pays Goodwill Visit

#### **Delegation Arrives 17 June**

*SK1706121088 Pyongyang KCNA in English  
1030 GMT 17 Jun 88*

[Text] Pyongyang June 17 (KCNA)—A government delegation of Burkina Faso headed by Minister of External Relations Jean Marc Palm arrived in Pyongyang on June 17 on an official goodwill visit to the DPRK at the invitation of the government of the DPRK.

It was met at the airport by Vice-Premier and Foreign Minister Kim Yong-nam and other officials, the Burkina Faso ambassador and the secretary of the People's Committee of the People's Bureau of the Great Socialist People's Libyan Arab Jamahiriyyah in Pyongyang.

#### **Dailies Welcome Minister**

*SK1706045188 Pyongyang KCNA in English  
0438 GMT 17 Jun 88*

[Text] Pyongyang June 17 (KCNA)—Papers here today carry signed articles welcoming an official goodwill visit to our country by a government delegation of Burkina Faso headed by Jean Marc Palm, minister of external relations, at the invitation of the Government of the Democratic People's Republic of Korea.

NODONG SINMUN says that the Korean visit by the government delegation of Burkina Faso will contribute to consolidating the fraternity and friendship between the peoples of the two countries forged in the struggle against imperialism and for independence and for the building of a new life.

Pointing out that the recent establishment of a new government headed by Blaise Compaore in Burkina Faso was an event in its people's struggle for the building of a new life, the paper continues:

Today the Burkina Faso people are striving to build a new prosperous Burkina Faso under the banner of anti-imperialism and independence.

Its government is taking a series of steps against neo-colonialism and for economic development.

Adhering to the principles of non-alignment under the slogan of anti-imperialism and independence, it is developing friendly and cooperative relations with other countries and rendering positive support and encouragement to the struggle of the people against racism and for freedom and liberation.

The Korean people congratulate the Burkina Faso people on their achievements in the endeavours for building a new life.

The friendly and cooperative relations between our two countries are developing favourably in their common interests.

The Korean people will in the future, too, strengthen and develop the friendly and cooperative relations with the Burkina Faso people.

MINJU CHOSON notes that the development of the friendly and cooperative relations between Korea and Burkina Faso is contributing to strengthening and developing the Non-Aligned Movement and consolidating the bonds of friendship among the Asian and African peoples.

#### **Thais Demonstrate at South Embassy in Bangkok**

*SK1706044788 Pyongyang KCNA in English  
0434 GMT 17 Jun 88*

[Text] Pyongyang June 17 (KCNA)—The students of Ramkhamhaeng University, Thailand, staged a demonstration on June 15 in support of the righteous struggle of the South Korean students, according to a report.

They thronged to the South Korean puppet embassy in Bangkok to strongly demand an end to the No Tae-u clique's suppression of the struggle of the students.

The students tried to hand a protest demanding a stop of the suppression to the puppet embassy, but they failed, and pasted the protest on the wall of the puppet embassy.

That day the secretary general of the righteous student organisation of the university who participated in the protest demonstration expressed positive support to the struggle of the South Korean students for the democratization of the society and the reunification of the divided country and demanded the No Tae-u fascist clique to discontinue at once the suppression of the students.

If this demand was not met, we would stage a fiercer demonstration in protest against suppression of the students by the South Korean "government", he warned.

#### **Papers on Solidarity With South African People**

*SK1606103688 Pyongyang KCNA in English  
1032 GMT 16 Jun 88*

[Text] Pyongyang June 16 (KCNA)—Papers here today dedicate signed articles to day of solidarity with the South African people, which extend militant greetings and firm solidarity for the valiant South African people in the struggle to liquidate the racist rule in the teeth of the racist clique's harsh armed suppression.

Owing to the vicious racist policy of the Botha clique, the South African people are undergoing immeasurable misfortunes and sufferings and the situation in the southern African region is being very complicated, NODONG SINMUN says, and continues:

The South African people under the leadership of the African National Congress of South Africa area persistently waging the armed struggle and other mass struggle of various forms including demonstrations and strikes.

For its justness, the struggle of the South African people against racism is enjoying full support and encouragement from broad segments of people worldwide who love justice and truth. Contrary to this, the South African racist clique is further denounced, rejected and isolated in the world.

It is our consistent stand to positively support and encourage the people's struggle for freedom and liberation.

The Korean people will stand as ever on the side of the fighting South African people and fully support and encourage their struggle.

**North Registers Dead Protestor in University**  
*SK1606051788 Pyongyang KCNA in English*  
*0446 GMT 16 Jun 88*

[Text] Pyongyang June 16 (KCNA)—A general meeting of teachers and students was held Wednesday at Kim Hyong-chik University of Education to register Pak Nae-chon, a student of the College of Cultural Sciences of Sungsil University in South Korea, who burned himself to death in protest against the U.S. imperialists and the South Korean fascist clique.

Choe Kum-sun, rector of the university, first read out a decision of the university to register the late Pak Nae-chon, who was a third-year student of the national language course and chairman of the student council of the college, as a third-year student of the national language and literature course of the linguistics faculty of Kim Hyong-chik University of Education, in accordance with the February 27, 1987, decision of a joint meeting of university presidents and rectors in Pyongyang.

Then Kim Tong-ho, vice-rector of the university in charge of school affairs, made a report.

He recalled that Pak Nae-chon on June 4 burnt himself to death after scattering from the rooftop of the five-storeyed building of the student hall his will calling for national reunification, joint Olympics by North and South and the like, in a show of his determined protest against the U.S. imperialists and the No Tae-u group who were barring the desire of South Korean students for independence, democracy and reunification and North-South student talks.

His death was not a mere suicide but a most staunch resistance to the No Tae-u military fascist clique which trample upon democracy and force fascism and a manifestation of his steadfast will to punish the national separatists and bring earlier the day of national reunification, he stressed.

The reporter described the successive suicides by self-immolation and disembowelment in South Korea as tragic events caused by the U.S. imperialist aggressors who established a colonial rule after occupying South Korea, and their stooge, the No Tae-u clique.

The entire teachers and students of Kim Hyong-chik University of Education will render positive support and encouragement to the South Korean students in the spirit of fighting in the same ranks, he declared.

A letter to the parents of the late student Pak Nae-chon and to the professors and students of Sungsil University was adopted at the meeting.

The letter says:

We express the hope that the professors and students of Sungsil University will turn their sorrow at the loss of their dear student into resentment and more staunchly fight till the day of victory, beneath the uplifted banner of the anti-U.S., anti-fascist struggle for national salvation.

We believe that the parents of Pak Nae-chon, as the father and mother of the martyr, who dedicated their son to the cause of patriotism, will actively help the South Korean students in their sacred patriotic struggle, in the future, too, to realize the desire cherished by their dear son in his lifetime.

**World Festival Group Holds Fourth Meeting**  
*SK1606055988 Pyongyang KCNA in English*  
*0531 GMT 16 Jun 88*

[Text] Pyongyang June 16 (KCNA)—The 4th meeting of the Korean preparatory committee for the 13th World Festival of Youth and Students was held Wednesday at the People's Palace of Culture.

An account of the second meeting of the International Preparatory Committee for the 13th World Festival of Youth and Students held in New Delhi in May was conveyed and problems of more substantially expediting the preparations for the festival which have entered into a new stage were discussed at the meeting.

A letter of the Korean preparatory committee to the national preparatory committees for the festival and youth and student organizations of many countries in the world and to the international and regional organizations was adopted there.

The letter expresses the hope that national preparatory committees for the festival will be formed at an early date in countries where no such committees have yet been set up and those countries which have already formed them will enhance their function and role, normalize their operations and thus accelerate more substantially the preparations on the national, regional and international scale and add to the atmosphere of the festival, so that the preparations of the festival can be pushed forward on the national and international scale at the present moment.

It stresses that the youth and student organizations of all countries should effectively make preparations for diverse cultural, art and sports activities along with the plan of political functions for the festival, in keeping with the noble idea and slogan of the festival movement, through intensified activities of the national preparatory committees.

Manifesting the expectation that the national preparatory committees and youth and student organizations of the world will put forth excellent views and opinions helpful to discussing the will and desire of different youth and student organizations the world over in conformity with the idea of the festival movement and with the aim of development of the youth and student movement at international and regional meetings including special working group meetings and meetings of the International Preparatory Committee for the festival which will be held to successfully ensure the festival, the letter says:

We believe that the youth and student organizations of many countries in the world and international and regional organizations which set store by the noble idea of the festival movement will widely conduct the movement for taking an active part in the international solidarity fund-raising of various forms which is aimed at material and technical preparations for the festival, in keeping with the specific conditions and possibilities of their organizations, and will render positive assistance to the preparations for the festival with all sincerity possible.

We are sure that all our joint efforts will make the 13th World Festival of Youth and Students, the first of its kind to be held in Asia, an international assembly further strengthening the anti-war, anti-nuclear peace movement and powerfully demonstrating once again to the whole world the friendship and unity among the youth and students of the world with differing political, social, religious and philosophical views, and a grand festival conducive to the promotion of joint actions for a brighter future of the younger generation.

#### VNS Denounces No's "Splittist" Policy

SK1706125088 (*Clandestine Voice of National Salvation in Korean to South Korea 0200 GMT 30 May 88*)

[From the feature program: "Let Us Eliminate (chowan) the Splittist No Tae-u"; roundtable talk featuring unidentified moderator and station commentators Yun Chong-won and Ko Il-chol]

[Text] [Moderator] How are you? People all across the country have recently and increasingly loudly called for and expressed their aspirations for democracy and reunification. I believe this is the trend of the times, and that nothing can block it. However, in a 21 April address on the so-called direction of the nation's policy, No Tae-u said that in the next 4 or 5 years, the time for full-scale preparations for reunification will arrive.

Despite his remarks, he has never put forth any substantive plan for reunification. Instead, he has only revealed his intention to continuously pursue the splittist policy. Thus, the people criticize No Tae-u, note that he is not even interested in reunification, and express great disappointment in him.

I arranged this gathering today to share our views on this topic. Will you explain your opinions on this?

[Yun Chong-won] In his so-called presidential inaugural address, No Tae-u spoke about the era of reunification, the bright future of the reunified fatherland and so forth, and thus staged a political show. In a news conference held some time ago at the Chongwadae Guest House, he said he will strive to take the initiative in laying a foundation for national reunification by opening a new chapter in North-South relations.

However, the people never trust No Tae-u's remarks on reunification, for he is a faithful servant of the White House, and they denounce him as a president who merely consolidates the foundation for division. The traitor No Tae-u is indeed a splittist who opposes reunification under the guise of reunification.

[Ko Il-chol] You are correct. His splittist nature has been clearly exposed by the fact that the reunification lines he put forward are in accordance with U.S. policy toward Korea. As is known to all, as long as the United States militarily occupies South Korea and implements the policy for colonial domination, the reunification of our country cannot possibly be achieved.

However, whenever he had an opportunity to do so, No Tae-u begged U.S. troops to permanently occupy South Korea, and he showed his policy and attitude of permitting limitless U.S. interference in domestic affairs. I think that the act of attempting to achieve reunification while leaving intact the outside forces—they are the ringleader of the nation's division and a basic obstacle to reunification—and while living under their domination, is itself foolish.

[Yun Chong-won] The splittist No Tae-u also remarked he will eliminate the status of confrontation between the two sides and open a new chapter in dialogue. However, this is a barefaced lie. South Korea today accepts anticomunism as a national policy. This is a slogan for confrontation and war designed to regard fellow countrymen in the North as enemies and to wipe them out.

It is clear to everyone that dialogue for genuine harmony and unity cannot be realized under conditions in which one party to the dialogue attempts to annihilate [somyol] the other, regarding it as an enemy.

[Moderator] The remark on opening a chapter for dialogue while opposing the partner in dialogue under the pretext of the national policy of anticomunism is indeed ridiculous. Do you not believe we can find the true color of No Tae-u as an antireunification president in the fact that he represses the discussion of reunification and oppresses the people who call for reunification?

[Ko Il-chol] Yes. The task for reunification is a pan-national cause. Thus, the reunification issue can be resolved only when broad participation by all political parties, all factions, and all the masses from all walks of life participate in the solution, and only when the masses reach a consensus of opinion.

In actuality, today political parties, public organizations, and people from all walks of life, including youths and students in South Korea, put forth their own programs and lines concerning dialogue and the reunification issue, and strongly demand that they be allowed to directly participate in dialogue and resolve the reunification issue.

However, even in reversing his pledge to accept the will of the 64 percent of the people who voted against him in connection with such important issues as the reunification issue, No Tae-u repressed those who called for the mass reunification theory by employing the notorious National Security Law. He branded them leftist, pro-communist forces.

[Yun Chong-won] In revealing disagreement between his words and deeds, he stated that he refuses to respond to the North's proposal for a North-South joint conference, a conference whose talks would involve political parties, public organizations, and people from all walks of life participating together.

Furthermore, he ordered the investigation and arrest of Seoul National University students who proposed the North-South student talks. He refused to deliver the letter from the student committee and the president of Kim Il-song University addressed to the General Student Association and to the president of Seoul National University in response to their proposal for a grand cross-country march and athletic contests. He thus committed an insolent act.

The fact that No Tae-u repressed the discussion of reunification and blocked the channel of dialogue between political parties, factions, and people from all walks of life demonstrates that the No Tae-u group has no genuine intention of reunifying the nation.

[Moderator] I also think that the superiority in strength that No Tae-u pursues has nothing to do with the reunification issue. The reunification of our country is not an issue in which one swallows or is swallowed by the other. It is instead an issue of realizing the unity of the people who were temporarily divided and of making one a divided people who in the past were the same people.

Therefore, neither of the two sides need be superior to the other in terms of strength to resolve the reunification issue. However, the No Tae-u group has insisted on possessing superior national strength. This is a replica of the antireunification slogan of the successive ruling bunches who attempted to resolve the reunification issue by means of war by fostering strength. What is your view on this?

[Yun Chong-won] Because the No Tae-u group's anti-peace policy pursues superiority in terms of strength, the danger of war constantly looms over this land. No Tae-u pays lip service to creating an (?atmosphere) favorable to dialogue for reunification. However, he deployed armed forces on a large scale along the DMZ, where he claims a spring of harmony should arise, and he perpetrated the "Team Spirit-88" South Korean-U.S. joint military exercise.

He frantically increased armed forces on the pretext of the unilateral hosting of the Olympics.

[Ko Il-chol] Furthermore, the No Tae-u group drastically increased [word indistinct] on the pretext of the 1988 Olympics and established large-scale combat mobilization forces, thus accelerating war exercises.

The comprehensive joint military exercises held throughout South Korea during 1988, including "Myolgong," "Ttangbbol," "Piho," and "Pangpae," were jointly carried out by civilians, government agencies, and the Army. They were designed to view the preparation of measures and an operational posture to cope with possible provocations during the Seoul Olympics. This reminds us of Nazi Germany, which used the Berlin Olympics for its criminal objective of provoking World War II.

[Yun Chong-won] Considering all of this, the three-phase reunification theory No Tae-u put forth during the presidential campaign and the so-called northward policy that he has recently often raved about are the plans for permanent division to legalize the two Koreas and [word indistinct].

Thus, we should say that No Tae-u, who is attempting to permanently divide the country while running counter to the people's aspirations to make the divided nation one, is indeed a vicious enemy of reunification.

[Moderator] Thank you for your helpful remarks. Today all the people demand that the No Tae-u group, the antinational splittist group, step down from power and [passage indistinct].

**No Tae-u Remarks on Student Talks Denounced**  
*SK1706025288 (Clandestine) Voice of National Salvation in English to South Korea 2330 GMT 8 Jun 88*

[Station commentary]

[Excerpts] Today, we will discuss the No Tae-u group's suppression of the student movement for the country's reunification. No Tae-u said that the students' demand for South and North Korean student talks in Panmunjom truce village is undesirable, and that negotiations with North Korea should be led by the government only.

While he was making these remarks at a Chongwadae meeting on Tuesday, on the same day, the director of the national police warned that the police would severely deal with the students' preparations for the June 10 South and North Korean student talks. He charged them as illegal action causing public disorder and helping North Korea.

On Monday, police arrested many students present at a prior meeting for the country's reunification held at the Imjin Pavilion under the sponsorship of the special committee for peace and the independent reunification of the fatherland.

On that day, the students held a departure ceremony at the Acropolis Plaza in Seoul National University, and, about noon, left for the Imjin pavilion by bus. [passage omitted]

The students in all parts of South Korea are struggling for the cohosting of the Olympic games and the June 10 South-North student talks, in spite of the fascist suppression by the military dictatorship.

Their struggle is a patriotic act to promote national reconciliation and unity and hasten the country's reunification. Their just struggle, therefore, is supported by all students and people in South and North Korea.

Nonetheless, the No Tae-u group is suppressing the student movement for the reunification, branding it as reckless and imprudent.

(?In trying to frustrate) the June 10 South-North Korean student talks, the No Tae-u group (?is going to mobilize over 50,000 police troops) in Seoul and the Imjin pavilion. Such acts of the No Tae-u group prove that dialogue

and interchange with North Korea are talked about to deceive the people: albeit, it seeks confrontation and the perpetuation of the division.

The fascist suppression, however, can never thwart the strong desire of the people for the national reunification.

The patriotic students' campaign for the June 10 South-North Korean student talks clearly prove that national reconciliation and reunification cannot be achieved without ousting the U.S. aggressors, the ringleader of the division, and the No Tae-u group, which is seeking confrontation and the perpetuation of the division. The students and people (?must turn out in the struggle) to drive out the U.S. aggressors and (?overthrow) the No Tae-u group.

**VNS on Adopting Correct Struggle Slogans**

*SK1706042288 (Clandestine) Voice of National Salvation in Korean to South Korea 0200 GMT 9 Jun 88*

[Talk by Madam Yun Chong-won from the "Hour for Youths and Students" feature program: "Adopting and Putting Forth Correct Struggle Slogans in the Student Movement"]

[Text] How are you, youths and students? In this hour, I will discuss some problems arising from working out and putting forth correct struggle slogans.

As you know, struggle slogans are guidelines of activities, which implicatively and briefly elucidate the strategic methods of the youth and student movement, the goals of struggle to be adopted at each period and stage of the movement, and its radius of activities.

Adopting correct struggle slogans in the mass movement is one of the essential requirements for a successful development of the movement. This is because struggle slogans play a very important role in the mass movement.

Above all, slogans are a powerful tool that call the masses of broad spectrums to struggle. Struggle slogans reflect the independent demands of the masses that need to be fulfilled, and show the tasks of action needed to fulfill them. Accordingly, it is through slogans that the masses realize that the struggle agrees with their interests that they actively turn out in the struggle.

At the same time, by showing the tasks and targets of struggle, slogans enable the mass struggle to be carried out purposefully and prospectively, and make it possible to achieve the unity of action.

Thus, since slogans play a very important role in the mass movement, (?correct slogans should be adopted and put forth).

(?Then, what are the basic requirements in adopting and putting forth correct struggle slogans?)

17 June 1988

Above all, slogans should be worked out simply and clearly according to the demands of the masses of all spectrums and according to the prevailing situation.

Social (?enlightenment) movement is (?initiated) and developed by the demand of the masses who desire to live independent lives. Therefore, slogans should be worked out according to such a natural-law governed character of the development of a movement, according to the long-standing demand of the masses, and according to the correct calculation of the objective situation. Only then, can slogans be accepted by the masses, and be appealing and effective in the struggle.

Thus, I think what is important at present is to put forth slogans that reflect the most common and urgent demand of the masses.

The antidictatorial struggle for democratization presently waged by our masses is a pan-national struggle in which all youths, students, and masses of all spectra should participate.

However, the masses of all spectra differ in their organizational characteristics and interests, and their demands also differ from one another. Therefore, only when slogans reflecting their most common and urgent demands are worked out, can positive support be won from the masses of all spectra, and the anti-U.S., antidictatorial struggle be expanded into a pan-national one through their active participation.

In this respect, I think a lesson could be drawn from the experience that victory was won in June last year as a result of the pan-national mass resistance struggle of the masses of all spectra waged under the joint slogans "Abolish the Policy of Defending the Constitution!" and "Overthrow the Dictatorship!"

In order to have slogans become a powerful means for calling the masses to the struggle, they should be simple and easy to understand. They should be simple, clear, and easy for the masses to grasp.

If slogans are not clear in elucidating the objectives of the struggle and are not simple, they cannot appeal to the masses nor can they vigorously mobilize them in the struggle. Therefore, slogans should be simple and easy by using words which the masses use in their daily lives.

Another basic requirement in working out and putting forth struggle slogans is to combine strategic slogans and tactical slogans properly.

Strategic slogans are those which should be upheld until the invading U.S. force is expelled from this land, and national liberation is achieved; and tactical slogans are those which are required to fulfill the demands put forth by the prevailing conditions and situations. Therefore,

only when strategic slogans and tactical slogans are combined properly, can the (?cause of struggle be explained) to the masses and can a perfect popular foundation be established.

Next, economic slogans and political slogans should also be combined properly. Economic slogans alone cannot basically change the situations of the masses, even if they are put into practice. Only when they are combined with political slogans, which are to achieve the independent demands of the masses, can economic slogans be put into practice, and can political struggle be carried out successfully.

In this regard, it is very good that, today, workers and peasants are combining their economic slogans, which are to acquire their rights to exist, with the political slogans, which are to overthrow the fascist dictatorship.

Another basic requirement arising from working out and putting forth correct struggle slogans is to put forth new slogans and to replace low-level slogans with high-level slogans according to the struggle progress. Only then can the growing fighting spirit of the masses be maintained and the mass struggle be developed to a new high stage.

Youths and students should realize the significance of slogans in the mass movement, and work out and put forth correct slogans. By so doing, I think, they should further accelerate the anti-U.S., antidictatorial struggle for national salvation.

## South Korea

**Council To Study Communist Ties Established**  
*SK1706120488 Seoul YONHAP in English  
 1158 GMT 17 Jun 88*

[Text] Seoul, June 17 (YONHAP)—The South Korean Government will newly set up a high-powered inter-ministry council which will exclusively study ways to improve relations with communist countries, informed official sources said Friday.

Sources said that the new council, to be dubbed, Northward Policy Council, will hold its first meeting by the end of this month and discuss inter-ministerial coordination and cooperation for improvement of relations with the Soviet Union, China, and East European countries.

The sources added that the council will also work on new formula for reunification of the divided Korean peninsula.

The sources said the new policy council will revise the existing reunification policy of the government to offer new formula by the national independence day falling on August 15.

The sources added that the council will offer detailed policy measures to put the new formula into action after the Seoul Olympic games.

The sources said members of the council will comprise ministers of foreign affairs, home affairs, finance, justice, trade and industry, and national unification board, and director of the Agency for National Security Planning. The members will meet whenever issues are raised, they added.

#### **Anti-U.S. Sentiment 'Contentious' Issue**

*SK1706045088 Seoul HANGYORE SINMUN in Korean  
7 Jun 88 p 2*

[Editorial: "The Anti-U.S. Struggle or a Struggle for Independence?—For Putting Korea-U.S. Relations on an Equal Footing"]

[Text] The debate on anti-U.S. sentiment and the movement advancing toward independence, which has begun to spread rapidly in recent months, has now emerged as one of the most contentious issues not only among students, but also among the people in our society as a whole. Mr Cho Song-man's jumping to his death on 15 May and the firebombs thrown at the U.S. Embassy in Seoul and at the American Cultural Center in Kwangju, incidents that occurred during the period for memorial services for those who fell during the Kwangju uprising, among other events of the past, painfully demonstrate how deeply anti-U.S. sentiment runs among the young people in particular.

Compared to the past, when Korea was the only country among Third World countries in which no wind of anti-U.S. sentiment blew and no "Yankee go home" slogans were heard, this is indeed a surprising change. The people's view of the United States, which has been perceived to be "a blood ally" or as "a lasting friend," has decayed into anti-U.S. sentiment. As a result, disagreement between those who hold anti-U.S. sentiments and those who view the U.S. in a different light appears to be growing acute.

Above all, to the government and conservatives, the movement advancing toward independence may appear to be part of an attempt by the leftist-leaning and procommunist elements, who, copying communist ideology and theories and complying with communist strategy and tactics designed to achieve reunification by communizing the South, are bent on stirring up the students and off-stage figures to a revolution that resorts to violence.

However, an even greater number of people refuse to view the anti-U.S. movement advancing toward independence in that negative light. Rather, they try to understand it in a new, historical light that a new era has come as a result of a new trend of the times. When everyone among the population is determined to solve all of his problems on his own as an individual citizen

and within the limits of his own sectors or of his functions, such self-awakening is bound to take the form of an effort for domestic democratization. In the same context, when everyone among our population is awakened to his sense of mission as a member of our national community, it is inevitable for our people to display their spirit of national independence in the international community—a spirit of national independence to determine the fate of the national community and the path on which the community will advance and to aspire for the independent reunification of the country.

Thus, we now ask: What does the United States mean to us? By this question, we mean to view it in a more practical light, more to examine ourselves in relation to the United States.

Above all, the role the United States is accused of having played in the military suppression of the Kwangju uprising in 1980 has spawned a cluster of doubts in our hearts and has remained an enormous shock. Also, the open U.S. support for and protection of the military regime that came to power through the tragic incident has laid bare the true color of a major hegemonic power, which tries to protect its interests by placing a regime that depends on it and which lacks independence under the sphere of its influence with support for the regime.

Furthermore, in recent years the United States, adopting a trade protectionist policy designed to resolve its serious trade and public financial deficits, has openly pressured our country, calling for opening our domestic markets, including import liberalization for U.S. agricultural and industrial products and liberalization for foreign exchange and capital. Adopting a protectionist policy—which even U.S. economists brand as "a policy for plunder"—the United States has forced our economy to be subordinate to its economy.

This also tells us that the United States is nothing but an egoistic economic big power that thoroughly seeks its own national interests and that in appearance is very far from our people's understanding of the United States as "our benevolent ally."

In particular, the United States has gone so far as to ask our country to share its defense costs in the Persian Gulf. The United States does not pay attention to our people's apprehensions that our country, a divided country, may be embroiled in the Middle East war. Such an attitude on the part of the United States will lead our Korean people to view the United States as a military big power that stops at nothing in pursuing its interests for its own global strategy, not as an apostle of peace who assists our security.

Such experiences, which have brought forth a serious change in our people's views toward the United States, have become a belated occasion, inciting our people to realize deeply the essence of international society where a nation state should seek its national dignity and

self-respect and independent national interests. Consequently, today we cannot but examine anew the background of the division of the Korean peninsula and the role of the United States as the "liberator" from the viewpoint of the spirit of national independence. Along with this, we cannot but examine the powerless and subordinate position of our economy in today's world economic system with the United States as its apex.

Here, we should know that the realization of our national independence abroad is synonymous with the realization of the independence of our regime abroad and that the independence of our regime can be achieved only through the realization of democracy. Its foundation of the people's support being weak and vulnerable, the military dictatorial regime cannot but seek assistance from the United States. Consequently, it is difficult for the regime to carry out its independent policies, which protect our national interests.

Therefore, today's anti-Americanism prevailing in our society should be viewed and understood as efforts for national independence in managing our national economy by ourselves, reestablishing our national defense through our own strength, and resolving the reunification issue independently by establishing anew the present South Korean-U.S. relations on an equal footing.

**THE NEW YORK TIMES**, commenting on the U.S.-Soviet summit talks, said that the talks were "a historic turning point where a representative hard-liner of the United States and a representative reformist of the Soviet Union have put an end to the cold war."

The international circumstances surrounding us change constantly. Such changes emphatically teach us that holding to the conception and way of thinking of the cold war era cannot in any way allow us to resolve our problems independently. The cold war era has already passed.

**Ahn Pyong-hwa Postpones U.S. Visit**  
*SK1706011988 Seoul THE KOREA HERALD  
in English 17 Jun 88 p 3*

[Text] Minister of Trade and Industry Ahn Pyong-hwa has postponed his scheduled visit to the United States indefinitely.

A Ministry of Trade and Industry official said yesterday that Ahn, scheduled to leave for Washington for talks with Commerce Secretary C. William Verity Sunday, decided to stay home because of the current National Assembly session.

He will testify before the Assembly when the suspended Assembly session is normalized, the official said.

Following his visit to the United States until June 26, Ahn had been scheduled to visit several European countries before returning home July 2.

**Summary of No. Takeshita Phone Conversation**  
*SK1706014588 Seoul THE KOREA HERALD  
in English 17 Jun 88 p 2*

[“Summary” of telephone conversation between president No Tae-u and Japanese Prime Minister Noboru Takeshita]

[Text] Takeshita: I will leave Tokyo this afternoon to attend a summit of Western industrial nations in Toronto.

No: Thank you for your call. I heard that you are busy with many diplomatic missions, attending the third special session of the U.N. General Assembly on disarmament and visiting Europe.

I express my deep appreciation for your government's efforts for the success of the Olympic Games in Seoul.

Takeshita: I am to meet Saburo Tsukamoto, president of Japan's Socialist Democratic Party, who just arrived from Seoul, at 3 p.m. today. I will hear from him what you and he discussed during your meeting in Seoul.

No: I heard about your meeting with Tsukamoto.

Takeshita: Security during the Seoul Olympics and the matters related to the newly industrialized countries (NICs) will be dealt with during the summit of industrial nations to be held in Toronto June 19-21.

I was informed of your position about NICs by the Japanese ambassador in Seoul. I know that your position is that NICs have actively contributed to the world economy and that world trade policies against trade imbalances should be set up taking into account the situation in each NIC.

Based on his report, I will try to deliver your position to the leaders of other countries and seek their cooperation for the success of the Olympics.

No: Concerning NICs, I believe the industrial countries should fully recognize that the NICs have actively contributed to the world economy.

At the same time, I hope you will understand the different situation in each NIC. I expect a good conclusion for prevention of any violent activities to disrupt the Seoul Olympics.

Takeshita: I will send an official early July to tell you what was discussed during the summit.

No: I wish you good luck for your journey.

Takeshita: Both you and I are very busy. But I believe we both have to work together for Asia as well as for our own countries.

17 June 1988

No: I hope I can see you in the near future.

**Defense Minister Meets Indonesia's Murdani**

*SK1706015788 Seoul YONHAP in English  
0043 GMT 17 Jun 88*

[Text] Seoul, June 17 (YONHAP)—Korean Defense Minister O Cha-pok met with Indonesia's Defense and Security Minister Leonardus Benjamin Murdani here Friday for discussions on matters of mutual concern.

During their talks, O expressed his hope that the friendly relations and military cooperation between the two nations can be strengthened.

O also asked his Indonesian counterpart to support South Korea's efforts to successfully host the upcoming Seoul Olympics.

Murdani, who arrived here Thursday at O's invitation, is scheduled to leave Korea on Sunday.

**GATT Official Carlisle To Arrive 19 June**

*SK1706074288 Seoul YONHAP in English  
0739 GMT 17 Jun 88*

[Text] Seoul, June 17 (YONHAP)—Charles Carlisle, deputy director-general of the General Agreement on Tariffs and Trade (GATT), will arrive here Sunday for a week-long visit, the Foreign Ministry said Friday.

Carlisle is scheduled to meet with Deputy Prime Minister Na Ung-pae and other South Korean Government officials to discuss the world economy.

He will also deliver a speech on June 22 at a luncheon to be hosted by the Korea Foreign Trade Association.

**Chief Justice Kim Yong-chol Resigns 17 June**

*SK1706022688 Seoul YONHAP in English  
0215 GMT 17 Jun 88*

[Text] Seoul, June 17 (YONHAP)—Chief Justice Kim Yong-chol resigned Friday, three days after an unprecedented action by a group of young judges demanding a sweeping reform of the judiciary, especially the Supreme Court.

In a brief news conference, Kim said he realized what the junior judges hoped for after they issued a statement which led him to decide that he should no longer remain in office.

Eighty-eight junior judges based in Seoul announced a statement Wednesday calling for an overhaul of the judiciary, including Kim's resignation.

I decided to resign because all the responsibility is upon me, the chief of the judiciary, Kim said in the 15-minute news conference at the Supreme Court.

Kim said he will tender his resignation to President No Tae-u Friday afternoon.

Kim, 63, was nominated as Korea's ninth chief justice in April 1986 by then President Chor Tu-hwan, and his nomination was approved by the National Assembly. At that time, Chon's ruling Democratic Justice Party held a majority of Assembly seats.

Judges across the country joined the effort by their Seoul counterparts and the number of judges who participated in the signature campaign increased to 289 as of Thursday.

The Supreme Court has faced criticism for making important rulings in favor of the ruling camp. Opposition politicians, joined by dissidents, have called for Kim's resignation as chief justice.

Yi Chong-u, director of the court administration, will serve as acting chief justice until a new judiciary head is nominated and approved by the National Assembly.

Kim said he rejected the resignations tendered by some key office holders of the court administration and chiefs of courts who sought to assume responsibility for the public furor caused by the junior judges' statement urging an overhaul of the judiciary.

Five senior judges at the court administration and Seoul district courts tendered their resignations to Kim Thursday while a number of provincial court heads expressed their intention to resign.

Kim's judicial career has spanned 38 years, including the last two years and three months as chief justice.

With Kim's resignation, all 13 justices of the Supreme Court are also expected to resign.

A sweeping reorganization of the Supreme Court is inevitable if their resignations are accepted.

**Finance Ministry To Liberalize Investments**

*SK1706010788 Seoul YONHAP in English  
0103 GMT 17 Jun 88*

[Text] Seoul, June 17 (YONHAP)—A total of 47 South Korean institutional investors will be allowed to buy foreign stocks and bonds beginning early next month, the Finance Ministry said Friday.

The ministry said it has permitted 25 brokerage houses, three investment trust companies and 19 insurance firms to purchase foreign stocks.

The brokerage firms will each be allowed to buy up to 30 million U.S. dollars worth of foreign securities while the investment firms and insurance companies can each purchase up to 10 million dollars worth of securities.

The ministry also approved the establishment of a fourth investment trust company, which will raise an unspecified amount of funds and invest the funds in foreign securities. Ownership of the investment trust firm will be shared among institutional investors which can afford to hold foreign currencies.

The amount of the company's capitalization and the fund itself, which have yet to be determined, will be decided according to the situation in foreign capital markets. The fund will be unit typed. Only institutional investors will be able to underwrite the fund's beneficiary certificates and repurchase of the certificates will be prohibited.

Individuals will be prohibited from buying the certificates for an indefinite period.

The investment trust company is expected to buy foreign securities, beginning in August.

In a change from its original plan, the ministry has decided to prohibit the newly established investment trust company from investing part of the fund in Korean securities.

#### **Strikes Continue To Slow Auto Industry**

*SK1706063288 Seoul YONHAP in English  
0611 GMT 17 Jun 88*

[Text] Seoul, June 17 (YONHAP)—Strikes and lockouts in the domestic auto industry are delaying the assembly of about 50,000 vehicles, industry sources said Friday.

Hyundai Motor Co. has been unable to produce about 19,500 vehicles, already in the order-book, because of a strike by workers and a company lockout.

The vehicles include 5,630 subcompacts, 3,440 large-sized trucks and buses, 7,900 small-sized trucks and mini-buses, 2,000 medium-sized cars and 500 pickups.

Daewoo Motor Co., no longer faced with strikes by workers, should be able to assemble 9,000 vehicles whose production had been delayed including 2,700 Lemans, 2,500 Royals and 3,600 buses and trucks. None of the Royal series are being assembled, however, as there is no parts inventory for Royal models.

Operations at Kia Motor Co., which has not been confronted with labor unrest this year, are normal. However, the assembly of 20,000 vehicles is being delayed due in large part to the suspended parts supply.

Meanwhile, Ssangyong Motors Co. is postponing the assembly of 1,600 Korando jeeps mainly because the transmission supply from Tongil Co., suffering from labor disputes, has been suspended.

#### **Samsung Workers Booked on Kidnapping Charges**

*SK1706012588 Seoul THE KOREA HERALD  
in English 17 Jun 88 p 3*

[Text] Masan, Kyongsangnam-do—Three employees of Samsung Shipbuilding and Heavy Industries Co. have been booked by police on charges of abducting two other company workers who were on their way to the Labor Ministry Wednesday morning.

The kidnapped officials were going to Seoul to file an application with the ministry for the establishment of a trade union at Samsung's Koje shipyard.

The Samsung officials booked include Chong Hae-su, a section chief, and a private security man hired by the company.

The Samsung shipyard has suspended operations due to a labor dispute.

#### **Hyundai Officials Indicted for Kidnapping**

*SK1706011388 Seoul THE KOREA HERALD  
in English 17 Jun 88 p 3*

[Text] The prosecution indicted two Hyundai Engineering and Construction Co. officials and eight men who were arrested for alleged involvement in the kidnapping of So Chong-ui, the company's union leader.

The Hyundai officials are Choe Che-tong, a managing director in charge of personnel management, and Kang Myong-ku, chief of the general affairs department.

Choe and Kang were arrested for allegedly ordering an Osaka-born Korean to abduct the union leader in a bid to prevent him from establishing a trade union. The man has said he was given 4 million won by Kang.

The prosecution also demanded that two other Hyundai officials, chairman Yi Myong-pak and Cho Yong-sop, chief of the planning and coordination office, be fined 5 million and 2 million won, respectively.

They are suspected of violating the Labor Union Law by trying to block the establishment of a trade union at the nation's largest construction company.

Considering that Kang Myong-ku had promised to pay more than 10 million won to the Osaka-born Korean, there was speculation that the company chairman was deeply involved in the abduction of So Chong-ui. But according to prosecution investigators, Yi denied the rumor.

So had been held at a house in Mokpo, a port city in Chollanam-do, for five days in the middle of last month. He was hauled away by a gang of five men outside of a saloon south of Seoul.

**Inchon Citizens Clash With Students**  
*SK1706003188 Seoul THE KOREA TIMES in English  
17 Jun 88 p 3*

[Text] Innocent citizens who suffered greatly from continued demonstrations and rallies have clashed with students while asking them to stop their violent activities.

Approximately 150 people living in the Changmi, or Rose Apartment complex near Inha University in Inchon, held a demonstration Wednesday afternoon before the main gate of the university, asking the students not to stage demonstration any more.

Several hundreds of students mounted a violent demonstration on and off the university campus for four hours on Wednesday.

The citizens expressed their strong displeasure about being forced to submit to great inconveniences due to their repeated demonstrations.

The students demanded release of Chung Chae-kyo, 24, chairman of the university's student council from police custody.

Chung was hauled away and placed in custody in connection with demonstrations for the June 10 north-south student talks for national unification.

The citizens went so far as to scuffle with the students for roughly half an hour as the collegians continued their rally in defiance of the citizens' appeal.

No injuries were reported in the free-for-all.

The students threw massive volleys of rocks and firebombs at the riot police squads, breaking stones off from the roadsides.

A flying stone hit a 12-ton cargo truck which passed by the university in the melee, smashing its windshield.

The truck driver Yi Chan-hyong ran away leaving his truck behind on the road.

He complained to both the students and the school administrative officials about the "unreasonable" activities of the students, asking for instant compensation.

**Student Demonstration Near Chon House Blocked**  
*SK1706002388 Seoul THE KOREA TIMES in English  
17 Jun 88 p 3*

[Text] A group of students mounted a violent demonstration near the house of former president Chon Tu-hwan in the western Seoul Wednesday afternoon, it was reported yesterday.

About 20 students of Seoul National University gathered near the Hungyang Gas Station in Yonhi-dong, Sodaemun-gu at 7 p.m. Wednesday.

They then started to march to the house of ex-president Chon in Yonhi-dong, an eyewitness said, shouting a slogan "Investigate all corruption committed during the Fifth Republic right away."

An army of 50 plainclothesmen and security men came running to block the students' march to the former president's residence, stopping them short of the house.

The students hurled six firebombs into a police box roughly 150 meters away from the ex-president's house, the witness said, forcing their way into the building.

Police arrested six of them at the scene.

Neither injuries nor property damage were reported in the surprise alley demonstration.

The students apprehended carried leaflets in which they demanded immediate probing of the former president and his relatives and also investigation of the Kwangju incident, police said.

Police picked up on the spot three bags which contained 48 gasoline bombs.

Meantime, police probed the six students including Song No-hong, 20, a junior at the department of sociology of the national university.

### Burma

#### **Students Set Deadline for Answer to Demands** *BK1606143588 Hong Kong AFP in English 1425 GMT 16 Jun 88*

[Text] Rangoon, June 16 (AFP)—Students at the Arts and Science University (RASU) here have given the authorities until Friday [17 June] to respond to a series of demands concerning imprisoned colleagues and freedom of association, campus sources said Thursday.

The students have given the authorities until Friday to answer their demands for the immediate release of an unknown number of students still under detention after riots here March 12-18, the sources said.

They have called for the readmittance of those students expelled from school for their alleged participation in the disturbances, the sources said.

The students, who have been holding peaceful rallies on the campus since Monday, were also demanding a fresh investigation in the March riots and the right to set up a student union.

It was unclear what the students planned to do if they had received no response to their demands by the Friday deadline.

Informed sources said the student unrest likely figured prominently at a high-level meeting of party and government officials here Wednesday.

Witnesses said the RASU campus, which was seized by soldiers Wednesday, was quiet and noted a lack of military and police activity nearby.

Campus sources said the student unrest followed an abortive attempt by students to organize a memorial ceremony Monday for two colleagues shot dead during the March rioting.

Authorities apparently foiled the planned religious ceremony, involving the offering of food alms to Buddhist monks, for the fear of possible political undertones, observers here said.

The March riots started with a Saturday night brawl between students and members of a local people's council in suburban Insein, where the Rangoon Institute of Technology (RIT) is situated.

Police and the Armed Forces took control of the RIT, the Rangoon University and the RASU during the disturbances in March.

An official report, released on May 14 after a nearly two month-long official investigation, said two students died of gun-shot wounds and an unspecified number were injured during the week of riots.

Diplomats here have said they were the worst riots in years and a sign of growing opposition to General Ne Win's authoritarian socialist regime, in power since 1962.

But the report made no mention of a huge demonstration in downtown Rangoon March 18, when at least 40 people were killed and thousands arrested, according to independent accounts received in Bangkok.

Campuses were closed nationwide after the March riots. They reopened May 30, with many parents receiving notices from university authorities stating that their son or daughter had been "eternally expelled from school."

### Brunei, Malaysia & Singapore

#### **Malaysia**

#### **Mahathir Says New UMNO To Run in By-Elections** *BK1606153988 Kuala Lumpur BERNAMA in English 1324 GMT 16 Jun 88*

[Text] Kuala Lumpur, June 16 (OANA-BERNAMA)—Malaysian Prime Minister Dr Mahathir Mohamed said Thursday, UMNO (Baru) [New United Malays National Organization] will contest in any by-election held following the resignation of UMNO members of Parliament (MP).

If there was a contest, UMNO will be there, he told reporters here after launching the book "Sungai Korok Wan Mat Saman" written by Dewan Rakyat (House of Commons) Speaker Mohamed Zahir Ismail.

He said this when asked if UMNO (Baru) was prepared to contest the Johor Baharu seat to be vacated by former Welfare Minister Shahrir Abdul Samad.

Shahrir had said that he wanted to vacate the seat on July 8 to see whether the people supported UMNO (Baru) or the old UMNO.

The prime minister said he did not know the number of UMNO MP's and state assemblymen to be proposed for expulsion from the Barisan Nasional [BN] for refusing to join UMNO (Baru).

He added that a decision had not been made whether former Deputy Prime Minister and MP for Kota Tinggi Musa Hitam should also be proposed to be expelled from the BN following the latter's announcement that he will not join the new party.

The High Court declared UMNO an unlawful body last February 4. The Registrar of Societies deregistered UMNO and Mahathir formed UMNO (Baru).

17 June 1988

He also said that the cabinet meeting yesterday discussed the reported action by Malaysian Trade Union Congress (MTUC) Secretary-General Dr V. David, which might result in the withdrawal of the Generalized System of Preferences (GSP) status from Malaysia.

However, Dr Mahathir said the cabinet did not discuss Dr David's citizenship status or action that could be taken against him. The cabinet questioned Dr David's conduct which could be described as unpatriotic, he said.

"The government also does not expect him to be a patriot but he should think about the welfare of workers in the country and not place importance on self-interest only," he said.

The prime minister said the government took a serious view of the actions of Dr David who despite being a Malaysian was prepared to go to an extent of pressuring others to threaten the national economy.

On reports of Vietnam's willingness to pull out from Kampuchea at the end of the month, Dr Mahathir said Malaysia had to check if these reports were true.

If it is true, the government welcomed the action by the Vietnamese Government.

**Airline Signs Pact With PRC Civil Aviation**  
*BK1606071888 Kuala Lumpur BERNAMA in English*  
*0517 GMT 16 Jun 88*

[Text] Kuala Lumpur, June 16 (OANA-BERNAMA)—Malaysia and China Thursday signed an air pact which will enable the Malaysia airlines to fly 2,500 people direct to China each year, a government official said.

Transport Ministry Secretary-General R. Navaratnam said currently about 5,000 Malaysian Chinese visit China each year, flying on foreign airlines.

The agreement provides for both scheduled and chartered flights by both Malaysia Airlines and the Civil Aviation Authority of China.

The fortnightly scheduled flights are expected to begin in mid-September.

The agreement was signed by Navaratnam and China's Director of International Affairs (Civil Aviation) Lu Ruiling.

**VOMD Commentary on Security White Paper**  
*BK1106142888 (Clandestine) Voice of Malayan Democracy in Malay 1215 GMT 9 Jun 88*

[News commentary entitled: "The White Paper on Mass Arrests Draws Many Queries"]

[Text] The Mahathir government released a white paper entitled: "Toward Maintaining National Security" on 23 March. It states that the release of this white paper is meant to expose the activities of all those who were involved in creating the tense situation in the country in October of last year and who had threatened public order. Obviously, Mahathir is trying to convince the people in the white paper that the 100 or more people arrested in October last year exploited issues that inflamed racial sentiments and were responsible for a possible dangerous religious conflict. If they had not been arrested, it would have been impossible to avoid a repeat of the 13 May 1969 racial clashes. The white paper, which was carefully fabricated by the Mahathir government for several months, attempts to justify the government's mass arrests as peaceful and necessary. Most of what is called the events leading to the arrests are exposed.

After reading the white paper for awhile, however, and the government's statement therein, one realizes that the policies implemented by Mahathir in the past several years have given rise to dissatisfaction and opposition by several groups of local people. One also realizes that the formulation of Mahathir government's so-called variety of new policies and strategies in terms of socioeconomic development, education, language, and culture aimed at creating a truly united Malaysian society, is actually making it more difficult to foster national unity. Furthermore, the white paper also reveals that the various groups dissatisfied with the government's policies include opposition parties in Parliament, pressure groups, academic institutions, religious organizations, social welfare associations, drama groups, and university lecturers. The government never rechecked nor made any revision to its own policies in the white paper. Instead, the government totally blames those arrested for arousing dissatisfaction among the people. This is really unfair and unconvincing!

The white paper states that in implementing its policies, the government faces numerous reactions. Various groups are dissatisfied with their positions despite the fact that they have been provided with substantial assistance and facilities and progressed. There are also various groups that worry about losing their identity and cultural heritage. Obviously, the problem lies in the government policies themselves and the way in which they are implemented. In such a situation, why not stop the implementation of and dissolve the government policies in question? It is absurd to arrest and charge those who criticize government policies, when it is in fact legal to do so according to the Constitution. The white paper does little to pacify the multiracial people of our

country, who directly feel that their basic rights as citizens have been threatened and denied by these policies. The white paper, instead, fans their anger about the casual arrests under the International Security Act [ISA] by the Mahathir government.

When tested, every paragraph of the white paper is unsubstantial. Hundreds of pages of the white paper are subject to further scrutiny and query.

In the first paragraph of the preface, 17 communal conflicts occurring in this country between 1945 and 1957 are cited. Why, however, are the pre-independence communal conflicts, which were directly caused by British imperialist efforts to reestablish and uphold its colonialization in our country not mentioned? Was it not the evil hands of the imperialists that were behind these incidents? Why does the white paper not touch on the history of the multiracial people of this country who have lived in peace and harmony for a long time and fought hand in hand against fascists Japanese occupation and imperialist British colonialization to achieve national independence? The second paragraph of the preface mentions the 13 May 1969 racial clashes. Here, similarly no mention is made of who was responsible for the incident. Were the 13 May incident and the inevitable early retirement of former Prime Minister Tunku Abdul Rahman sheer coincidence? Is it not possible that the source of all communal conflicts in this country at that time can be found in the political crisis facing the then-ruling clique?

The foreword also touches on Mahathir's so-called open policy since coming to power in 1981. However, this is misleading. For example, why does Mahathir continue to prohibit opposition parties from meeting publicly during campaign periods? Why does the Barisan Nasional never give opposition leaders enough opportunity and time to speak their views on important issues in Parliament? Why is the establishment of a royal commission of inquiry into the BMF [Bumiputera Malaysia Finance] scandal refused? Why were the police and Army summoned to kill Uziaz Ibrahim Mahmood and his eight followers? In addition, the authorities have also detained PAS [Pan-Malaysian Islamic Party] legal advisor Haji Suhaimi Said for publicizing the bloody tragedy in Lubok Merbau. According to accurate reports by foreign magazine journalists, Finance Minister Daim Zainuddin is involved in transfer of bank shares. The license for monthly publication of the INSTITUTE OF PROJECTS SURVEY AND ANALYSIS [INSAN] magazine has been suspended. Aliran's [Social Reform Movement] applications for approval to publish a Malay language magazine was totally refused for several years. The Official Secrets Act and other acts have been amended.

Can all these be considered as an implementation of Mahathir's open policy? The preamble of the white paper also touches upon the uneasiness caused by the shooting incident on Chow Kit Road in Kuala Lumpur

on 18 October before the mass arrests. This reminds people of events on the eve of the seventh parliamentary election between late July and early August 1986. At that time, residents of Kuala Lumpur were gripped by uncertainty, prompting housewives to rush to markets to buy food for stockpiling because of widespread rumors on possible racial riots. All Kuala Lumpur residents know that it was Prime Minister Mahathir who deliberately created such tense racial relations to maintain his power; he issued repeated warnings that the 13 May racial riots would recur if people believed in the opposition's words. Mahathir also instructed the police force to hold massive antiriot exercises in various parts of Kuala Lumpur, and for several consecutive days, the state television station aired the exercises to dramatize the possibility of an outbreak of racial riots. Why did the white paper refuse to acknowledge the fact that the multiracial people—Malays, Chinese, and Indian—firmly rejected a recurrence of the 13 May incident, while Mahathir and his cronies continued to bluff about an imminent recurrence of it?

On 25 October of last year, 1 week after somebody shouted "Let us start the 13 May riots again!" at an UMNO [United Malays National Organization] Youth Movement rally, 17 social organizations—including Aliran, MTUC [Malaysian Trade Union Congress], CUE-PACS [Congress of Union Employees in Public and Civil Services], and the Women Lawyers Association—signed a joint statement calling for the speedy establishment of a council for interracial consultation aimed at seeking an effective way to eradicate interracial prejudice. Why did the white paper not mention a single word about the efforts by these social organizations to promote racial harmony yet, instead, accuse them of acting as pressure groups that created interracial tension?

The white paper also mentions remarks made by several DAP [Democratic Action Party] members of Parliament at various gatherings. It is a fact that the police have records of remarks made by anyone anywhere. However, the authorities never mention in the white paper who shouted racist slogans at the UMNO Youth Movement rally nor their positions in the UMNO. Did such slogans receive prior approval from the rally organizers? Were those who shouted racist slogans also arrested under the ISA?

In March 1983, 15 Chinese organizations issued a national cultural memorandum; 27 other Chinese organizations issued a joint statement in October 1985. These prestigious organizations in the Chinese community seriously and responsibly put forth views, proposals, and suggestions on the country's future as a point of reference to be studied by the government, political parties, and people of various nationalities in this country. Various social groups of various nationalities have expressed their views on national development and unity based on consultation and consensus. This is a trend

17 June 1988

worth appreciating and promoting. But the white paper describes the memorandum and joint statement as an effort to instigate racial sentiment by raising cultural, racial, and religious issues.

To woo Chinese voters, the MCA [Malaysian Chinese Association] and Gerakan Party agreed in principle to endorse and support the memorandum and joint statement issued by the Chinese organizations. The two parties' action actually received tacit blessings from Mahathir. The white paper, instead, turns the two documents into proof that the Chinese organizations instigated racial sentiment. This shows that the big bureaucratic capitalists in the ruling Barisan Nasional, as well as politicians from UMNO, MCA, or MIC [Malaysian Indian Congress], always pretend to champion the rights and interests of their own groups to gain support. Mahathir is doing the same thing. Isn't he actively proclaiming that whatever he does is for the benefit of the Malays?

The white paper also mentions that some religious, intellectual, and drama groups often held seminars and forums to discuss labor, environment, and health issues, as well as took students to visit slums to further the understanding of the peoples poverty. The white paper accuses such activities as efforts to arouse dissatisfaction against the existing social system. These groups were then branded as Marxist. Paying attention to the welfare of the poor, expressing indignation at an unjust system, and calling for reforms are not virtues solely held by the Communist Party. What is wrong with religious organizations and intellectuals siding with the poor? Can the activities of representatives from various religious organizations, academic circles, trade unions, student and graduate associations, and political parties, such as sitting down and discussing ways to eradicate poverty and corruption, promoting a sense of responsibility among members of the public, and issuing joint statements be considered threats to the country's security? It is only right that the Communist Party support these sensible and just demands. The government however, which is against the people and stubbornly refuses to listen to the just demands, slandered these organizations as being infiltrated by Communists. What is wrong with the press siding with none of the poliical parties nor social organizations, but simply fulfilling its obligation to report the true situation and conscience of people from various nationalities?

The final part of the white paper also carries a fabricated story about somebody meeting the secretary general the Communist Party of Malaya in Beijing. This was meant to give a misleading impression that the country's social organizations held forums, seminars, drama productions, and exhibitions in coordination with the armed struggle of the Communist Party. In short, the white paper on mass arrests is nothing but an admission that Mahathir is highly isolated politically.

The accusations against opposition parties and social organizations are wild and unfounded. This explains why Deputy Home Affairs Minister Megat Junid dared

not accept the challenge by opposition members of parliament to hold an open debate on issues listed in the white paper. While the ruling regime is allowed to slander and oppress those who hold different views, those slandered and oppressed are not given a fair chance to defend themselves and disprove the accusations. This is the Mahathir regime's democracy!

### Singapore

#### Opposition Politicians Fined for Speeches

*BK1606134988 Hong Kong AFP in English 1246 GMT  
16 Jun 88*

[Text] Singapore, June 16 (AFP)—Two leading opposition politicians were Thursday fined 3,500 dollars (1,750 U.S.) each for making speeches last year without obtaining a public entertainment licence.

Former MP Benjamin Jeyaretnam and Wong Hong Toy were convicted Wednesday of speaking on January 10 last year on the pavement in front of their Workers' Party office on the Singapore riverfront, to mark its official opening.

The fine meant they would both be disqualified from standing for election to Parliament for five years, until June 1993. A previous conviction on irregularities in party finances had disqualified them until November 1991.

District Judge Sarjit Singh, in passing sentence, said he considered the offence was deliberately committed as they had applied for a licence and knew it was rejected.

He refused to accept Mr. Jeyaretnam's plea that the offence was a "mere technical breach of the requirement" and that their past convictions under the Penal Code should not count for a statutory offence.

Mr. Jeyaretnam, a former senior district judge and a lawyer now suspended from practice, was given leave to appeal, but the judge denied a stay of sentence and ordered the fine be paid.

Mr. Wong, a businessman who also argued the case without a lawyer, told the court he was undecided about appealing.

Under the Constitution, a fine of 2,000 dollars (1,000 U.S.) or imprisonment of a year disqualifies a person from Parliament for five years.

Mrs. Jeyaretnam, who became independent Singapore's first opposition MP in 1981, is the secretary-general of the Workers' Party and Mr Wong was its chairman until last year, when he broke off to join another party.

**It was the fourth joint conviction for the two men since 1983, three of which were for diverting donations to pay creditors without handing them to the official assignee in 1981, when the party was in receivership.**

**It was Mr. Jeyaretnam's second offence under the Public Entertainments Licensing Act. He was fined 800 dollars (400 U.S.) for speaking at a Feast of the Hungry Ghosts gathering in 1986. He is appealing.**

**The maximum penalty for the offence is 5,000 dollars (2,500 U.S.).**

### Cambodia

#### Hun Sen on Country's Major Problems

*SK1706012488 Seoul MBC Television Network  
in Korean 1100 GMT 14 Jun 88*

[Interview with Hun Sen, chairman of the Council of Ministers, by Choe Chang-sop, professor at Sogang University, at the prime minister's reception room in Cambodia on 31 May—with interviewer speaking in English and the prime minister answering in Cambodian translated into Korean appearing in captions]

**[Text] [Choe Chang-sop] I would like to know what other pending issues and what other major serious problems this country faces today and what are the prospects for the future?**

**[Hun Sen] Nine years have passed since the demise of the Pol Pot regime. Although we have laid the foundation for the rehabilitation of our country, we still have a mountain of problems to solve. In terms of economy, we have concentrated our efforts on producing foodstuffs, timber, rubber, and fisheries products. A special emphasis has been placed on producing foodstuffs.**

**[Choe Chang-sop] May I ask you to go in more details about the obstacles that you have to go through, you have to take care of?**

**[Hun Sen] We have inherited nothing but destruction, confusion, and starvation from the Pol Pot regime. The enemy's obstructive tactics, including those of the Pol Pot regime, can be cited as what stand in the way of our efforts to rehabilitate our country. Over the past 9 years we have exerted efforts on rehabilitating our country all the while fighting our enemy. As a result, stabilization of our national economy has inevitably been delayed. In other words, we face double difficulties of having to achieve security on the one hand and of having to rehabilitate the country based on a weak economic foundation on the other. Some in the international community tend to criticize us on a par with the Pol Pot force. This we find to be an obstacle.**

**[Choe Chang-sop] What would be the guidelines or philosophy of approaching the international foreign policymaking.**

**[Hun Sen] First of all, if we are to get rid of the Pol Pot force, it is essential that we seek a political settlement based on dialogue, not a military settlement. And on the basis of this, we should concentrate all our national resources on rehabilitating the country.**

**I have already had two rounds of talks with Prince Sihanouk. However, we have many obstacles to overcome before we can achieve a political settlement and national reconciliation. In case a political settlement through compromise is impossible, we can achieve our goal by building our military on our own while the Vietnamese forces pull out of our country.**

**There will be a withdrawal of 50,000-strong Vietnamese troops this year and by the year 1990 all Vietnamese troops will be out of our country. Our task until this time is to turn the areas along the Cambodian-Thai border, the Pol Pot force's stronghold, into a safe zone so as to keep the Khmer Rouge from supporting the Pol Pot force.**

**[Choe Chang-sop] What would you say will be the future or prospect of a possible relations between Kampuchea and South Korea?**

**[Hun Sen] Although we have had no formal relations with South Korea, we have no reason at all to be hostile to South Korea. We stand completely neutral when it comes to feuds and frictions between North Korea and South Korea, because they are the internal matters of the Koreans themselves.**

**[Choe Chang-sop] I am sure you must have heard about the Olympic games to be held in Korea. What would you say?**

**[Hun Sen] Because of our own political situation, Cambodia will not be able to participate in the Seoul Olympics. However, we are sure that the Seoul Olympics will be hosted successfully as we are well aware of the superior organizational ability of the Korean people and we also hope so [that they are hosted successfully].**

**[Choe Chang-sop] May I ask for your one last or two words for the Korean audience?**

**[Hun Sen] As I have pointed out, Cambodia has never been in hostile relations with South Korea. We have always tried to be true friends of the South Korean people. I hope that relations of mutual friendship will be established in the future.**

**If the South Korean people stretch out their hands of friendship to us, we are ready to reach for them.**

**UN Report Says 92,000 Tons of Rice Needed**  
**BK1706021388 Bangkok BANGKOK POST in English**  
**17 Jun 88 p 6**

[Text] Kampuchea needs 92,000 tons of rice from the international community for its security stock this year because a "lean season" is believed to have set in two months earlier than usual, a United Nations report said.

The report, the work of a three-week mission to Kampuchea from March 21 to April 11, was drawn up by the UN Food and Agriculture Organisation and the World Food Programme.

The "lean season," normally from July to November, was estimated to have arrived prematurely at the end of April, after prolonged rains until December 1987 "saved large crop areas and thus averted a potentially disastrous food supply situation," the report said.

The rice requirement—equivalent to about one month of national needs—was based on a consumption figure of 153 kilogrammes of rice per person each year—or 419 grammes a day.

Fifteen districts in five provinces—Kompong Speu, Kompong Chanang, Svay Rieng, Takeo and Kandal—were described in the report as "most seriously affected."

Present domestic reserve stocks, calculated from interviews with provincial authorities and farmers, could provide for between 2.5 to six months of food consumption, the report said.

Forty thousand tons of husked rice were imported from Vietnam to make up for the shortfall in 1987. Since then, 15,000 more tons have been imported and, given the severe rice shortage in Vietnam, it was feared that another 25,000 tons needed this year might not be forthcoming.

A total of 50,157 tons of rice have been pledged as food aid to Kampuchea for the November 1987 to October 1988 period, the report said.

Rice production for the 1987-88 season is expected to total 1,855,055 tons.

The UN mission estimates the total population of Kampuchea to be 7,852,000 [as published]—with Kompong Cham the largest province at 1,256,838 people.

Productivity has been hampered by weather conditions, lack of technical and intermediate personnel, and absence of basic agricultural tools, the UN report said.

Delivery of external aid is hampered by infrastructure—limited discharging facilities at Phnom Penh Port, the only one recommended for use in view of security problems at Kompong Som in the southwest—and a relative scarcity of trucks and fuel.

**Article Views Khmer Rouge, SRV Withdrawal**  
**BK1706022788 Bangkok BANGKOK POST in English**  
**17 Jun 88 p 4**

[By Jacques Bekaert]

[Excerpt] [Passage omitted] Military observers are beginning to believe that Vietnam is determined to pull out of Kampuchea. Already last year's withdrawal of 20,000 men has been recognised as genuine. In the past few weeks, several Vietnamese divisions have left their bases in Western Kampuchea, moving toward positions east of the Mekong River. According to a Khmer source, Division 12 went from Prea Vihear to Stung Teng and Kratie, while last April Division 7 moved to Kompong Thom and later to Kratie. In May, Division 8 left Kampot for Svey Rieng. But Division 5 is still in the west and the 309th replaced the 315th in the border area. Growing security responsibilities have indeed been transferred to the local Kampuchean People's Republic Armed Forces (KPRAF) and regional units. This year's withdrawal will start on June 30. If everything goes according to Hanoi's plan to send 50,000 men back home, it will leave a force of about 70,000 Vietnamese soldiers in Kampuchea by the end of 1988.

If so many troops return to Vietnam, then who will fill the gap? One of our sources, a senior leader of the Nationalist Resistance, is worried. "It looks like the Vietnamese are moving their troops east of the Mekong. In the rest of the country, the KPRAF are not strong enough to match the Khmer Rouge. The National Army of Democratic Kampuchea (Khmer Rouge) is especially strong in the southwest, near the Cardamom mountains. One day it could decide to take over Phnom Penh." This could lead to international recognition of the DK regime, since it would control the capital of the country. "But it would also precipitate a return of the Vietnamese to Kampuchea, and this time with the blessing of the international community," the source said. Vietnamese officials dismiss such a scenario. "The reality is much simpler: we are leaving," a military source said.

If Hanoi is determined to preserve the PRK regime as it is now, then to fully withdraw from Kampuchea represents a risk, as the Phnom Penh regime could be dangerously challenged by the Khmer Rouge. If Vietnam is sincerely interested in a global solution, then it will withdraw its forces, but will also make sure that some kind of political solution has been worked out between the various parties. Sources in Vietnam and Phnom Penh explain that changes in the nature of the regime are not impossible. "If we reach an agreement, if Prince Sihanouk comes back, of course there will be some changes in Kampuchea," a senior Vietnamese source said recently in Phnom Penh.

And, as far as Vietnam's own security is concerned, one should keep in mind—as they certainly do in Hanoi—that PAVN [People's Army of Vietnam] troops along the Kampuchean border are no more than 48 hours away.

from Phnom Penh. Even a regime controlled by the Khmer Rouge—certainly a grim prospect as far as the Kampuchean are concerned—could not represent a great threat to Vietnam. Remember what happened in late 1978. Democratic Kampuchea collapsed faster than even the most optimistic Vietnamese general could hope.

That the Khmer nationalist resistance is worried by the behaviour of its Khmer Rouge allies is understandable. With plenty of weapons, even missiles, loads of money and, at least in the case of the main leaders, the same determination as in 1975, the Partie of Democratic Kampuchea by its simple presence, poses more questions than needed. So does, in the minds of most Western and ASEAN diplomats, the attitude of China. While some American sources claimed recently that China had agreed to remove Pol Pot and a few of his aides from the scene, other American officials, no less well informed, are much more cautious and say they have no record of such a promise.

During recent talks with Thai Foreign Ministry officials, Mr Khieu Samphan declared that the Partie of Democratic Kampuchea (PDK) could agree to be present in Jakarta, as long as Hanoi attends the "informal meeting," but gave no firm assurance.

Let's imagine, or dream, that conversations between the parties involved bring a political solution approved by the main sponsors of the warring factions. Then what?

A new regime is launched in what may then be called Cambodia. With who? With Prince Sihanouk, Hun Sen, Son Sann, Khieu Samphan. Yes, but what about the administration. One structure does exist already. It may not be the best in the world, but it is not the worst either. And the present PRK administration has one tremendous advantage. It is there, it does exist, it performs, it's got some training, it lives in the country. Many of its members got their training before 1975. Many joined the present regime either because they genuinely wanted to do something for their poor country, most because they had to survive and working for the state was in 1979-1980 the safest road to a minimum guarantee of food.

I doubt that many Kampuchean in Phnom Penh and elsewhere have a burning passion for Marxism-Leninism (especially at a time when, in practically every socialist country of the world, communists are themselves taking a hard, critical look at the doctrine). At the same time, many, even among those who hope for a return of Prince Sihanouk, probably accept the present administration for what it is: a machine that more or less makes the country work.

For sure there are lots of able people in the ranks of the resistance, and some badly needed doctors and engineers who are at present living abroad. There are also quite a few old hands that most Kampuchean would rather not see come back. What Kampuchea will need tomorrow

(what it needs today) are technicians, doctors, nurses, skilled workers and insecticides, rather than ministers and generals, reconstruction, rather than intrigue.

Vietnamese sources are convinced that in case of general elections, Hun Sen and Prince Norodom Sihanouk would be the undisputable front runners. Hanoi even believes, based on its own recent "polls," that Hun Sen would be the winner. There may be a bit of self-indulgence here. The impact of a return to Kampuchea of Prince Sihanouk should not be underestimated. But indeed Hun Sen appears to enjoy a certain degree of popularity, not thanks to the fact he is a member of the politburo of the party but because he is perceived as an able young Khmer patriot. Elections? Well, yes, one day. Maybe. In the meantime, a meeting between Nguyen Co Thach and Prince Norodom Sihanouk, with or without others attending, would represent a positive step.

#### **Army Paper Urges Building Localities**

*BK1406101588 Phnom Penh Domestic Service  
in Cambodian 1200 GMT 13 Jun 88*

[**KANGTOAP PRACHEACHON PADEVOAT** editorial: "Vigorously Accelerating the Building of Villages and Communes Is an Essential Requirement"—date not given]

[Text] At a time when our country is advancing toward mastery and stability, it is necessary for us to build and strengthen villages and communes, thus turning them into a genuinely firm foundation of our new regime. This is a significant matter of urgency which is essential in deciding the victory of our Cambodian revolution.

This year, 1988, we have been successfully expanding our position of strength and of victory on both fronts—construction and defense. In sum, after implementing the resolution of the party Central Committee fifth session for the past year, we have achieved all-around changes and made progress to a new extent. This clearly attested to our real efficiency and capability in building genuine revolutionary forces, particularly the genuinely firm villages and communes of our people.

Many localities have developed great impetus in the construction work. The people's political awareness has been clearly displayed and their confidence in the KPRP leadership has been strengthened.

The combined forces in localities have displayed genuine activities in combating the enemy. They have fought the enemy daringly, opposed all enemy's psychological schemes, exposed the evil elements, dared to lay bare all forms of distortion by the enemy, effectively ensured all defense work, and vigorously stimulated production in order to improve our people's livelihood, thus enabling localities to ensure social order and public security more firmly with each passing day.

We are now in a new stage of fighting while negotiating. Although the enemy of all stripes has been faced with successive defeats, he has stubbornly resorted to any means to grab people's support, infiltrate outlying remote villages and communes which lack vigilance, and obstruct our progress. This is why in many localities, there has been a tense and complex struggle between revolutionary forces and counterrevolutionary forces. However, the counterrevolutionary forces have been facing difficulties and impasses. They have lost the initiative and are suffering from internal rifts and rivalry for power. Having lost the hope to seize our power and being repeatedly attacked and smashed by our revolutionary forces, many of them have surrendered to our revolutionary power.

Realizing this, the fifth and sixth sessions of the party Central Committee still regarded the work of building and strengthening villages and communes as the most important task. This is because villages and communes are places where people live, gather, and have direct contact with the revolution and the party, as well as places to encourage the people to participate in all revolutionary movements to turn all party-state measures and policies into practical deeds.

Villages and communes are inexhaustible sources for supplying manpower, materials, and intellectual power to the cause of defending and building our Cambodian motherland. All concerned institutes at all levels must mobilize efforts to promote the building of localities, turning it into an enthusiastic, zealous, and vigorous movement, and do their best to clearly understand and grasp the essential requirements for and their roles and duties in building localities. As Comrade General Secretary Heng Samrin said at the first national conference of model commune cadres, the life-and-death factor of the Cambodian revolution is the solid state of our people's villages and communes.

First of all, we must firmly grasp the resolutions of the party Central Committee's fifth and sixth sessions regarding the work to build localities and the two requirements and four-point essence of the local buildup work. It is imperative to educate and advise all to heighten their determination to brave through all obstacles in order to realize their immediate tasks to build firm villages and communes; educate the people to be loyal to the revolution; correctly implement the party policies; strengthen internal unity; and avoid illusions and doubts. It is imperative to lead and urge the people to take part in the activities of revolutionary organizations, thus turning the people's intentions into material strength; and attentively and continuously publicize propaganda and knowledge about the all-around victories of our Cambodian revolution while exposing the weakness and declining state of the enemy and stimulating the people to nurture hatred against the enemy. Core cadres in localities should expand their influence by setting good examples, displaying their political capabilities and revolutionary ethics, and capabilities to carry out all

tasks, and strive to win people's trust in them through their actual activities. Only by working hard, behaving well, leading a simple life-style, and not adopting bureaucratic and dictatorial attitude will they be able to effectively implement the mass persuasion task and successfully build villages and communes for the people.

At the same time, it is imperative to seek information about the enemy's movement, places from which it regularly launches activities, and its temporary shelters and passes. In addition to understanding the terrain of different areas, it is imperative to organize forces for combat in a timely manner and with high results.

Map out combat plans and pay attention to training militiamen to prepare them for combating the enemy in and outside their respective areas.

Prepare trenches for combat; build barricades by clearing brush and destroying enemy hideouts; understand the whereabouts of enemy agents; create conditions for the people to attack the enemy; and search and persuade the enemy elements to return to the revolution.

Know how to rely on the people in combating the enemy both in terms of its manpower and activities.

Enhance administrative control and keep a clear and genuine record of domicile registrations in each locality while seethingly propagating the "three don'ts and one do" slogan.

It is imperative to examine, consider, and seek good experiences for building villages and communes; refrain from procrastination; and act without waiting only for orders. It is imperative to have a thorough stand. Do not be too hasty or too inactive in work. Carry out undertakings according to their priority and in conformity with the concrete conditions of each terrain.

It is imperative to successfully build a party chapter in each locality, thus facilitating leadership there. Communes should be led by party members who will popularize all party-state policies in their respective localities. Moreover, it is imperative to stimulate the planting of rice and subsidiary food crops, expand animal husbandry, increase handicraft production, build trade circulation networks in localities, persuade people to increase rice planting seasons, and give them all kinds of assistance in order to ensure a better and more prosperous livelihood for them.

Resolutely striving to vigorously and timely build strong villages and communes for serving as the foundation of our revolution means that the party leads, the state governs, and the people are irrefutably the genuine masters (?of the country), and this will certainly create a new feat to welcome the 10th anniversary of our 7 January victory day.

**Heng Samrin Tours Kampot Province 11-13 June**  
*BK1506045288 Phnom Penh SPK in French 0404 GMT*  
*15 Jun 88*

[Text] Phnom Penh, 15 Jun (SPK)—Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State, toured Kampot Province, 150 km northwest [as received] of Phnom Penh, from 11 to 13 June.

During a meeting with all levels of cadres in the province, including the chairmen of district people's revolutionary committees, Chairman Heng Samrin highlighted the current situation in Cambodia, in particular the national reconciliation policy, the Hun Sen-Sihanouk meeting, and the next withdrawal of Vietnamese volunteer troops.

He praised the all-around success scored during the past 10 years by the people in Kampot Province and called on them to double their vigilance during the enemy's perfidious maneuvers and to do their best to achieve the tasks assigned and to strengthen the Armed Forces.

Chairman Heng Samrin went to Kompong Trach District and visited pepper plantations.

**Party-State Delegation Leaves for GDR**  
*BK1706032688 Phnom Penh Domestic Service in Cambodian*  
*1300 GMT 16 Jun 88*

[Text] A PRK party-state delegation led by Mrs Men Sam-an, member of the party Central Committee Political Bureau and chairman of the Central Organization Commission, left Phnom Penh 16 June for the GDR to attend the international conference on creation of nuclear-free zone to be held in Berlin.

Seeing the delegation off at Pochentong Airport were Comrade Ney Pena, member of the party Central Committee Political Bureau and minister of the Interior; Comrade Sam Sundoeun, member of the party Central Committee and first secretary of the People's Revolutionary Youth Union; Comrade Yos Son, member of the party Central Committee and chairman of the party Central Committee's Foreign Relations Commission; Comrade Yit Kimseng, minister of public health and chairman of Committee for Defense of Peace; Mrs Bo Rasi, deputy minister of Foreign Affairs; and many cadres from the office of the Central Organization Commission.

Comrade Rolf Dach, GDR ambassador extraordinary and plenipotentiary to Cambodia, was also on hand at the airport to see off the delegation.

**VOK Says Japan To Invite Son Sann for Visit**  
*BK1706070188 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 17 Jun 88*

[Text] A KPNLF delegation visiting Japan told Japanese officials about the KPNLF's stand in the search for a solution to the Cambodian problem and the issues of human rights in Cambodia and civic education at the initiative of His Excellency Son Sann, KPNLF president and prime minister of the Cambodian Coalition Government.

Japan has promised to provide humanitarian assistance to Cambodians under the KPNLF administration. The Japanese Government will invite KPNLF President His Excellency Son Sann to visit Japan in the future.

**Resistance Forces Occupy Villages, Communes**  
*BK1306073088 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 13 Jun 88*

[Text] According to the Khmer People's National Liberation Front, Cambodian resistance forces have taken control of a number of areas in the country, including some villages and communes in the Tonle Sap Lake region, forcing Vietnamese settlers to move out to other places. The same source also revealed that the fighting has decreased since mid-March because of floods in Cambodia's western regions that have restricted movements by Vietnamese and Heng Samrin forces.

At the same time, it has been reported that Cambodian Coalition Government forces have stepped up attacks on villages and communes in an effort to cut off food supplies to Vietnamese soldiers.

The report adds that in some areas Vietnamese forces have experienced serious supply problems. Earlier, the Heng Samrin forces admitted there were difficulties in food transportation. Many villagers who recently joined the Cambodian resistance forces have also confirmed this report.

Moreover, a group of UN mission members working in Cambodia said the country needed more than 90,000 metric tons of rice this year because of irregular rainfall.

**Attack by DK Troops on Vietnamese Base Reported**  
*BK1706073988 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 17 Jun 88*

[Text] A report from the Cambodian-Thai border says Cambodian resistance forces yesterday destroyed a Vietnamese-Heng Samrin military base after many hours of fighting for the second straight day. Many Vietnamese artillery shells landed in a Thai village near the border.

This report says about 100 DK soldiers attacked a number of Vietnamese soldiers posted at Phnum Mak Hoen and Phnum Malai, destroying an ammunition depot and 50 army shelters during a 5-hour battle. The

report also says the DK forces began their vigorous attack on the Vietnamese-Heng Samrin soldiers last Monday. This was the fiercest fighting in June.

The report adds that fighting continued until Wednesday night. This battle took place while Vietnamese Foreign Minister Nguyen Co Thach has been visiting Bangkok where he is to hold talks with high-ranking Thai officials on a peaceful solution to end the war in Cambodia.

**SRV Position in Battambang Said Liberated**  
*BK1706040788 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian*  
2315 GMT 16 Jun 88

[Text] On 9 June, our National Army attacked, liberated, and controlled a Vietnamese company position in Tonse Reak village in Samraong District on the north Sisophon battlefield [Battambang Province]. We killed or wounded a number of Vietnamese enemy soldiers and destroyed 3 metric tons of ammunition in a depot, 300 sacks of rice in a warehouse, 17 army shelters, and some war materiel. We seized five AK's and some military materiel and freed 45 Cambodian soldiers, militiamen, and various officials.

**Indonesia**

**Kampuchean Parties Expected To Attend Meeting**  
*BK1706050188 Jakarta ANTARA in English 0345 GMT*  
17 Jun 88

[Text] Jakarta, June 17 (ANTARA-OANA)—11 warring parties in the Kampuchean issue, including Khmer Rouge leader Khieu Samphan, are expected to attend the Jakarta informal meeting (JIM) on Kampuchea due to take place here at the end of next month, Foreign Minister Ali Alatas stated here Thursday.

"Khieu Samphan has given a hint that he would attend the Jakarta informal meeting," he said while answering a press question after having a one-hour meeting with visiting Omani Foreign Minister Yusuf Bin Alawie Bin Abdullah, who is starting his four-day visit to Indonesia.

According to Ali Alatas, he observed all indications that the Jakarta Informal Meeting is encouraging. [sentence as received]

He also said that the step to examine the reactions from all warring parties in the Kampuchean issue on the planned JIM has been completed, and "we are now making preparations for the further (second) step on how to make the Jakarta Meeting a success."

He said that invitations to attend the JIM have not been sent to all interested parties in the Kampuchean issue, since they will be included in the second stage.

In the meantime, leader of the Coalition Government of Democratic Kampuchea (CGDK) Prince Sihanouk said in Pyongyang, North Korea, last Monday that the Jakarta Meeting might fail due to the presence of Vietnam delegation.

The Khmer Rouge, which is led by Khieu Samphan and constitutes the strongest group in the CGDK, has decided not to send a delegation to Jakarta if Vietnam attended the meeting, said Sihanouk in a statement.

The minister further said that JIM would be held in two stages. The first stage meeting, he went on, would be attended by representatives from the Phnom Penh (Hun Sen) regime and the three groups of CGDK (Prince Sihanouk, the Khmer Rouge and the Nationalist Group led by Son Sann).

Vietnam and other interested parties in the Kampuchean issue would join them in the second-stage meeting, Alatas added.

The minister further stated that parties to be invited to the Jakarta Meeting are limited to the ASEAN and Indochinese countries.

China and the Soviet Union would not be invited to the Jakarta meeting, since it is not the right time to invite them to such a meeting, he concluded.

**Sudharmono Interviewed on Golkar Leadership**  
*BK1706092088 Jakarta ANTARA in English 0756 GMT*  
15 Jun 88

[Text] Jakarta, June 15 (ANTARA-OANA)—Sudharmono, general chairman of the ruling Functional Group (Golkar), concurrently vice president of the Republic, firmly stated here Wednesday the next Golkar leadership will be decided by the National Conference (MUNAS) of Golkar scheduled to convene in Jakarta next October.

Answering a question in an exclusive interview with ANTARA and REUTER on the possibility for him to be reelected during the next conference, Sudharmono said that it is entirely up to MUNAS' decision.

He stressed that there is no prohibition for a government official to be elected general chairman of Golkar and under the existing party regulations he himself is still eligible to be elected the top executive of the ruling party.

Asked on whether there will be young people in the composition of the Golkar leadership after the October conference, he just said that it is up to the MUNAS.

However, he went on, the MUNAS would emphasize on enhancement of the role of women and the young people.

In the one-hour interview the Golkar general chairman admitted that the election of Golkar leadership is an important issue to be decided by the MUNAS, besides the working out of a working program for the next five years.

However, he describes the next national conference of Golkar as an important and interesting event.

On extreme leftist and rightist dangers, Sudharmono said that these dangers will always be present and the Indonesian people should always be on the alert to face them.

"Communism remains to be a latent danger for Indonesia, therefore we should be always on the alert", he stressed.

In the framework of enhancing the national alertness, the Indonesian people should continuously work for the popularization of the Pancasila ideology so that every Indonesian citizen would be able to adhere to and implement the Pancasila in his daily life.

Adherence to and implementation of the Pancasila ideology, he said, will become a strong deterrence against infiltration of communist elements and of other extreme elements which are not in accordance with the Pancasila philosophy, including the extreme rightist elements from religious circles with extreme tendencies.

According to Sudharmono, Indonesia's current national resilience is strong enough to deter dangers from extreme leftist and rightist groupings.

He refused the use of the word "threat" for both extreme forces and prefer to use the term "problem".

According to his evaluation, the remnants of the extreme forces are at present very small, but the Indonesian people should always be on the alert.

Sudharmono said, the successful economic development which is able to keep the people smiling, is a strong deterrent against other ideological infiltrations outside the Pancasila ideology.

**Further on ANTARA Interview**  
*BK1706093088 Jakarta ANTARA in English 0837 GMT  
16 Jun 88*

[Text] Jakarta, June 16 (ANTARA/OANA)—The general chairman of the Golkar (Functional Group), Sudharmono, has pointed out that the main obstacle faced by the Indonesian people in the coming decade will be the problem in the field of labour, due to the still high rate of population growth.

"Job opportunities can only be provided if a sufficient increase in investments and a sufficient economic growth can be achieved", Sudharmono, who is concurrently the Indonesian vice president, said in an interview with ANTARA and REUTER here on Wednesday.

An external obstacle, according to Sudharmono, is the current uncertain world economic situation which is unable to provide a favourable contribution for the implementation of the national development.

The fall in price of primary commodities and of crude oil and the diminishing value of the dollar as well as the introduction of export obstacles, according to the Golkar general chairman, will demand continuous vigilance as well as the introduction of correct adjustment measures which have been carried out by the government so far.

Efforts should be carried out aimed at increasing the national capability to utilize and mobilize the existing funds and forces integrally, supplemented by additional foreign funds.

Through the mobilization and increase of the national capability, Sudharmono is convinced that the Indonesian people will be able to achieve a sufficient economic growth and to create job opportunities as well as improve the welfare of the people more equally.

Sudharmono went on to say that one of the steps carried out consistently by the government to overcome the economic problem, particularly in facing the uncertain crude oil price, is through activating and encouraging the national and foreign private sector to participate in economic activities which can solve the labour problem and encourage non-oil/gas exports.

This effort has been carried out, Sudharmono said, through further implementation of the deregulation and debureaucratization measures, through encouraging activities of the non-formal sector, as well as through increasing the value added and the people's business efficiency by integrating business of big industrial enterprises with cottage industries through among other things the "foster parent" scheme, with the big industrial enterprise as the "foster parent".

He further said, increase in non-oil/gas exports is of utmost importance, because not only does it increase the foreign exchange earnings to replace the declining foreign exchange earnings from crude oil, but because it also involves the common people's business efforts.

To encourage the participation of the foreign private business sector in investing capital, the government will continue the deregulation and debureaucratization measures, including simplification of the permit procedure, Sudharmono said.

In the framework of extending participation of foreign private business, the system of "non resource project" or the system "build, operate and transfer (BOT)" will be applied, as long as the system after thorough calculations will not become an additional burden to the national economy.

According to Sudharmono, to face the economic difficulties in the coming years, additional soft loans are needed in the form of program (cash) aids as expected by Indonesia from Japan and the other IGGI [Intergovernmental Group on Indonesia] member countries.

On corruption, Sudharmono said, that it is difficult to find out if this problem has already reached a stage which would endanger the national stability.

"If corruption has reached that stage, it is of course impossible to achieve the national stability and development, which we are enjoying today", he said. But the government has given its full and serious attention to the problem, he added.

**Security Minister on Need for Screening PKI**  
*BK1606145088 Jakarta TEMPO in Indonesian  
11 Jun 88 p 22*

[“Excerpt” of interview with Coordinating Minister for Political and Security Affairs Sudomo by TEMPO Correspondent Diah Purnomowati in Jakarta—date not given]

[Text] [Purnomowati] Why is it necessary for the government to screen former PKI [Indonesian Communist Party] detainees again?

[Sudomo] We released the last batch of these detainees in 1979 and now we must recheck our list to see if some of them have changed their residence or done other things. This is to prevent the case in Payakumbuh [instance in which a former PKI member became head of a regional legislature] from occurring again. The man is obviously a former PKI member. We do not know how he could manage to infiltrate the Payakumbuh Regional Legislative Assembly.

[Purnomowati] As for the Payakumbuh case, the man had undergone screening earlier. How come he managed to beat the screening process?

[Sudomo] It is not hard for anybody to conceal his past. Therefore, I believe there are others who are doing the same thing.

[Purnomowati] There are about 500,000 former PKI detainees. How do you plan to do the screening?

[Sudomo] Their names are registered in the lists kept at Koramil [precinct military command] and Pemda [regional government] offices and all we have to do is check their names there. Some time ago, I called on the

public to report to the authorities if they see unusual activities by these former detainees, for instance, holding positions for which they are ineligible.

[Purnomowati] Actually, what kind of jobs are these former detainees not supposed to do?

[Sudomo] They are free to do all sorts of jobs, except in the government agencies, armed forces, publishing, and several others. (Home Affairs Ministerial Decree No 32/1981 prohibits former detainees from joining political parties, becoming teachers, lecturers, religious preachers, puppeteers, or journalists)

[Purnomowati] Our attitude towards the PKI seems to show that it is a powerful group. Are these former detainees really that powerful?

[Sudomo] No, that is not the point. This is a matter of ideology and conviction. Even though the PKI was crushed, it will always make another attempt. I can see clearly that even though it failed in the 1948 Madiun uprising, it made another attempt in 1955 and then a coup attempt in 1965. Therefore, we must prevent them from making still another attempt.

There are about 30,000 "B" category detainees who were allowed to return to society. These detainees belong to the hard-core group. Even though they spent some time in rehabilitation camps like on Buru Island, there is no guarantee that they have renounced their ideology. Those who still adhere to their communist ideology would obviously want to make a comeback [preceding word in English].

[Purnomowati] With this big uproar about PKI, don't you think that we actually help advertise their cause and in turn make them stronger?

[Sudomo] No, if we do not inform the public about it, we will not be vigilant about the threat. Therefore, the aim is to make us vigilant, not seeing things which do not exist.

[Purnomowati] If people see unusual activities, which government agencies should they contact?

[Sudomo] Kopkamtib [Command for the Restoration of Order and Security] or the coordinating minister for political and security affairs. Outside Jakarta, they can contact the Laksusda [Regional Special Executive Officer].

[Purnomowati] Why don't we expose the PKI ideology with all its shortcomings so the younger generation will not be misled?

[Sudomo] We do expose their ideology by holding national vigilance upgrading courses and the P4 [Guidelines on the Comprehension and Implementation of Pancasila] indoctrination course.

[Purnomowati] Is communist ideology discussed in these courses?

[Sudomo] Yes, in a limited way, namely how they infiltrate other organizations in their efforts to make a come back.

[Purnomowati] Why is it discussed in a limited way?

[Sudomo] If we tell everything, it will be no different from teaching communist ideology to the course participants. We explain to them how the communists do things, so they will be vigilant.

[Purnomowati] Have you launched an investigation into the alleged presence in the government of former PKI members involved in the 1948 Madiun uprising?

[Sudomo] Which one? Those mentioned in the leaflets? Ha ha [laughing] This issue might have been initiated by the PKI. Do not let the PKI split our unity. Remember that the PKI is a master [preceding word in English] in the arts of instigation and setting one against the other. We must be careful so as not to fall into their trap.

### Laos

**Sali Vongkhamsao Meets Soviet Delegation**  
*BK1606110588 Vientiane KPL in English 0919 GMT  
 16 Jun 88*

[Text] Vientiane, June 16 (KPL)—Sali Vongkhamsao, vice-chairman of the Council of Ministers, chairman of the State Economic, Planning and Finance Committee and chairman of the Commission for Lao-Soviet Economic, Scientific and Technological Cooperation received here June 15 a delegation of the Commission for the Soviet-Lao economic, scientific and technological cooperation led by its vice-chairman B.M. Koslov.

Issues relating to economic, scientific and technological cooperation between the two countries as well as mutual assistance were raised at the meeting.

S. Vongkhamsao, on this occasion, informed the Soviet guests about economic new concept prevailing in the country and thanked the Soviet party and government for their constant valuable assistance.

The Soviet delegation arrived here on June 11 on a friendly visit and to discuss with its Lao counterpart about the amendment of the cooperation plan for the remaining years envisaged in the 2nd five-year plan in accordance with a protocol reached at the 9th session of the commission and effectively materializing it in a spirit of new mechanism of economic management.

**Minutes on Soviet Communication Accord Signed**  
*BK1606111588 Vientiane KPL in English 0910 GMT  
 16 Jun 88*

[Text] Vientiane, June 16 (KPL)—The signing of a minute on economic cooperation between Laos and the Soviet Union on communications and transport was held here yesterday. The sides agreed to continue fulfilling, on a business basis, the remaining construction of communication projects by 1990, namely the construction of the Khongsedon Bridge, a warehouse system, an office for the car repairing workshop, a technical service center in the central Province of Savannakhet, and some others.

As for transport, the sides will make a further study of a co-transit [as received] between the two countries. The signatories on the Lao side was Bouasi Lovansai, deputy-minister for communications, transport, post and construction, on the Soviet side was L.V. Falakey, deputy minister for communications and Andreyev, deputy-minister for transport [Soviet names and titles as received].

**Briefs:**

### Lao Delegation To USSR

Vientiane, June 10 (KPL)—Delegation of the State Council for Science and Technology led by its chairman Souli Nanthavong left here for the Soviet Union on June 8, to attend the 8th session of the Committee for Scientific and Technological Cooperation between the Lao PDR and the USSR, which was opened on June 9 in Moscow. The session is to assess the implementation of the resolution adopted by the 7th session of the commission held in Vientiane, Laos, and work out a plan on scientific and technological cooperation for the 1988-89 period. It will center on scientific and technological study in agriculture, forestry, irrigation, meteorology, public health, geology, transport, communications and the survey of natural resources. The scientific and technological cooperation between Laos and the Soviet Union is carried out in a framework of non-reundable aid of the Soviet Union rendered to Laos to stimulate economic development in the Lao PDR. [Text] [BK1006110688 Vientiane KPL in English 0904 GMT 10 Jun 88]

### Philippines

**Senators Call for Immediate Decision on Bases**  
*HK1706093788 Quezon City Radyo Ng Bayan  
 in Tagalog 0800 GMT 17 Jun 88*

[Text] Legislators have reacted to U.S. Secretary of State George Shultz's statement on the military bases issue. Senator Neptali Gonzales, Speaker Pro Tempore Antonio Cuenca, Defense Secretary Fidel Ramos, and Senator Leticia Shahani unanimously believe that if there is any truth to the statement, the Philippines should immediately decide whether the bases should remain or not.

17 June 1988

Shultz apparently stated that the United States cannot increase the rent for the bases.

**Paper Views Conversion of Military Bases**  
**HK1706072188 Manila THE MANILA CHRONICLE**  
**in English 17 Jun 88 p 1**

[By staff member Marites Sison]

[Text] President Aquino has to decide on the U.S. bases' retention issues this year since at least three years is needed to convert the bases to alternative uses that will more than offset the economic losses from any American withdrawal.

This observation was made by Dr Leonardo Mariano, who headed the first ever study jointly commissioned by the Department of Foreign Affairs (DFA), Senate and the House of Representatives.

"If President Aquino does not act by the end of this year, by implication, she will be in favor of the retention of the bases," Mariano said in an interview yesterday.

Mariano works as a consultant at the DFA, the Senate committee on foreign relations and the House committees on economic affairs and on national defense.

Mariano said his study, which lasted for 10 months recommended that the conversion of the bases should begin now so alternative use would be "fully operational," by September 16 1991, when the RP (Republic of the Philippines)-U.S. Military Bases Agreement (MBA) expires. "There will be no economic dislocation" by 1991 if the bases are converted to alternative uses this early Mariano stressed.

According to Mariano, the proposed Integrated Base Conversion Program (IBCP) can be implemented with an initial capital of P50 billion. The capital can come from the proceeds of the sale of lands in Camp Aguinaldo, Fort Bonifacio, Villamor Air Base and the Ninoy Aquino International Airport (NAIA).

Mariano said the Armed Forces, through Gen Antonio Lucban, defense assistant secretary for logistics and installation, has agreed to the proposal to sell the said military camps.

Several investors from Japan, Taiwan, South Korea and European countries have also expressed interest in putting up the equivalent of P40 billion as foreign equity, provided incentives are offered to them, Mariano added.

Mariano said several Japanese and Taiwanese firms have already expressed intention to buy prime lands at these military camps, which cover an area of 2,023 hectares.

The value of these lands, which will be sold through open bidding to be conducted by the Public Estate Authority (PEA), is estimated at P2,000 to 3,000 per square meter.

Under the proposal to sell the military camps' lands, only Camp Crame would be retained. The other military camps would be transferred to Clark Air Base in Pampanga and Subic Naval Base in Olongapo.

Mariano said the AFP [Armed Forces of the Philippines] will benefit from the income to be generated from the industries that will be set up at the bases site.

A P9-billion income is expected to be generated annually and this would more than offset the P6 billion equivalent provided annually by the U.S. in exchange for the use of the bases.

Mariano said a draft of a tripartite memorandum of agreement among the DFA, the Department of National Defense and the PEA is already being prepared.

Mariano said the Philippines has been approached by foreign companies which are willing to invest up to 100 percent equity in industries that will be set up in the bases.

Mariano's study recommended the following alternative uses for the bases:

For Clark, which covers a land area of 55,000 hectares (30,000 of which have already been turned over to the Philippines): Headquarters of the Philippine Air Force and other AFP units, international airport, export processing zone, large scale corporate farms, agri-business and livelihood projects, national dairy corporation, reforestation projects, mining (copper and chromite) projects, housing projects, international and retirement village, commercial and business center.

For Subic Naval Base: Headquarters of the Philippine Navy and other AFP units, international transshipment port for Asia-Pacific, shipyard complex, export processing zone, agribusiness and livelihood projects, reforestation projects, mining projects, housing projects, international retirement village and commercial and business center.

In his study, Mariano, a former deputy director-general of the pre-Martial Law Congressional Economic Planning Office, also said that if the Philippines opts to pursue the IBCP, it's bound to gain P54.5 billion more than if it chooses to retain the bases.

Under the IBCP, the Philippines can expect to gain P60 billion for direct expenditures, compared with the current P10 billion generated from the bases compensation package being given out by the U.S.

He added that compared with the P6 billion economic and military assistance being given annually by the U.S., the Philippines can gain a net income of P10.5 annually under the IBCP.

**Poll Assesses Vice President Laurel**  
*HK1706085188 Manila BUSINESS WORLD  
in English 17 Jun 88 p 4*

[“The Filipino consumer” column by Nicanor Gabuda: “How Fares Laurel?”]

[Text] Vice President Doy Laurel lamented Pres. Aquino's habit of not assigning him to hold the fort while she is out of the country. When she left for the ILO meeting in Switzerland, the President again “overlooked” him. The executive secretary rather than the vice president was assigned to be OIC [officer in charge] of the country.

The choice of who takes over the function is, of course, the President's prerogative. As such, the vice president cannot do much about it. He admits though that vice presidents do not morally take over the function until the President becomes incapacitated.

Our honorable vice president claims that it was one grave error that former Pres. Marcos committed during his term. For one thing, the former President's practice of keeping the control of the nation in his hands even while he was not around did not prepare anyone to take over the position upon his inability to function as president. By not assigning him to be OIC of the country while she is away, Pres. Aquino seems to be committing the same “Mistake.”

Vice President Laurel's reaction is easy to understand. In the first place, like the President, he was elected to office. (Some quarters, however, claim otherwise. Aquino may have won the snap elections, but not Laurel.) This means that, if the President is indisposed, it is he the people want to take over.

That may be true, however, during the snap elections. people's sentiments may have changed. I figured it would be nice to look at how people view the vice president now.

As I have mentioned in my past columns, Consumer Pulse, Inc. conducts a survey every quarter called THE PULSE SITUATIONER. Occasionally, we ask the respondents in the survey to assess the performance of some key government officials—the vice president among them.

The respondents' assessment of the vice president's performance came as a surprise to me, especially when I compare the ratings to those of the president. Let me share with you some of our findings in the first quarter of this year.

Vice Pres Laurel rated very poorly compared to Pres Aquino, Senate Pres. Salonga, Speaker Mitra, and Defense Sec. Ramos. Only 5.5 percent of all the respondents nationwide said their opinion of the vice president was “very good”; about 44.7 percent said it was “good.” (In comparison, about 19.4 percent said they had a “very good” and 52.1 percent, “good” opinion of Pres. Aquino.) About 28.3 percent of the respondents stood in the middle ground. About 12.5 percent of the respondents said their opinion of Laurel was “poor” and 5.3 percent, “very poor.”

By economic class, Laurel rated more favorably among the lower income groups. In the E class, about 8.2 percent rated him “very good” and 52.2 percent, “good.” Some 4.8 percent of the D respondents rated him “very good” and 44.9 percent, “good.” The vice president rated less favorably among the middle and upper income respondents. Only 4.6 percent and 37.7 percent of the C respondents held a “very good” and “good” opinion of the vice president, respectively. Meanwhile, only 3.2 percent and 38.3 percent of the AB respondents said they had a “very good” and “good” opinion of the man.

Here is an interesting finding. A slightly higher percentage of women than men rated him favorably. About 5.4 percent and 47.2 percent of all female respondents rated him “very good” and “good.” In comparison, about 5.7 percent of all male respondents had “very good” opinion of Laurel and only 41.7 percent had a “good” opinion of him.

By region, the vice-president appears to be viewed favorably in Mindanao than in any other place. About 8.5 percent of the Mindanao respondents said they have a “very good” opinion of Laurel; some 54.7 percent of the Mindanao respondents said they had a “good” opinion of him. In ‘Balance’ Luzon (that is, all respondents from the Luzon area minus those from the Greater Manila Area), about 3.0 percent and 48.2 percent rated him “very good” and “good.” In the Visayas, about 6.4 percent and 43.4 percent of the respondents rated him in the same manner. Laurel had the lowest ratings in the Greater Manila Area (GMA). About 5.3 percent of GMA respondents held a “very good” opinion of the vice-president; only 38.7 percent of GMA respondents had a “good” opinion of him.

Now, if we go by these figures, the vice president does not exactly seem to be the person people would want to run the country when the President is away. The fact remains, of course, that he is the elected vice president. And if these figures are also any indication of who would have the edge in the next presidential elections, I think Laurel has a lot of work to do to clean up his image. Other contenders are already way ahead of him.

**'Cronies' Set To Testify Against Marcos**  
**HK1706081188 Manila PHILIPPINE DAILY**  
**INQUIRER in English 17 Jun 88 pp 1, 9**

[By Roy S. de Guzman]

**[Text]** Four officials of the deposed Marcos government have offered to reveal their participation in the massive transfer of public funds to the personal accounts of the former president and his wife, Imelda, the Presidential Commission on Good Government [PCGG] said yesterday.

At the same time, PCGG Commissioner Jose Laureta said the commission expects to conclude negotiations for the return of stolen assets of four Marcos cronies before the exiled strongman is criminally charged next year.

Laureta identified the four cronies as former sugar czar Roberto Benedicto, former Ambassador to Spain Manuel Nieto, former Eastern Telecommunication Philippines Inc president Jose Africa, and Filipino-Chinese multi-millionaire Lucio Tan.

Quintin Doromal, another PCGG commissioner, earlier said there were six cronies who wanted to both testify and surrender assets illegally acquired during the martial law years.

Laureta said at least one of the Marcos functionaries, former Public Works and Highways Minister Balthazar Aquino, has already given a statement, was granted immunity, and looms as a possible state witness in the Sandiganbayan [graft court] trial against Marcos and 300 other cronies.

Aside from Aquino, he identified the officials as former Energy Minister Geronimo Velasco, former National Food Authority Administrator Jesus Tanchanco, and former Government Service Insurance System [GSIS] and Philippine Air Lines president Roman Cruz Jr.

Laureta also named three people who "gave valuable information" to the PCGG: Ramon Monson, said to be Imee Marcos' finance manager, and Mandy Eduque and Evelyn Singson, both formerly connected with Security Bank.

"We are encouraging all of those involved to come forward and negotiate," said Laureta, the PCGG commissioner in charge of legal matters.

Tan and Benedicto offered "money settlements" so the sequestration order on their several firms would be lifted, said Laureta. The amount, he said, is still the subject of ongoing negotiations.

"The PCGG believes this may be better so we do not disrupt ongoing business concerns," Laureta said.

Tan, who has not fled abroad, is said to control a number of firms including Allied Bank, Fortune Tobacco Corp, Asia Brewery, Century Park Sheraton, and has shares of stocks in firms located in Hong Kong, U.S. Lichtenstein and Alberta.

His assets are under sequestration and he is still on the hold-order list, but is allowed by the PCGG to go out of the country occasionally to attend to business matters.

Benedicto has vast lands in Negros and owns hotels, aside from being former president of the Philippine National Bank and chairman of the Philippine Sugar Commission. He now resides in London.

Benedicto, the country's former ambassador to Japan, also holds with Africa and Nieto 60 percent of the stocks in ETPI, a leading communications firm. The rest belongs to Cable and Wireless, PLC, a British firm.

Laureta said the PCGG found out from documents that Marcos actually owns 40 percent of the group's shares and that the ETPI cronies only invested P1 million when the company was set up in 1974. The cronies' shares, said the PCGG official, are now worth P700-P800 million.

"Only one aspect of the negotiations remains unresolved," said Laureta of the STPI dealings. He did not elaborate.

Of the officials, Laureta said Aquino whom he described as "a very sick man," has given a statement about his part in handling Japanese kickbacks for Marcos. The official said the former public works secretary's testimony will be used when criminal charges are finally filed with the Sandiganbayan against Marcos.

The status of talks with other officials:

—Tanchanco has also offered to reveal anomalies at the NFA, Laureta said.

—"Something might happen soon" about the negotiations with Velasco, who initiated efforts last year. But he said Velasco maintains that "all of my relations with Marcos have been official—I hardly knew him personally."

—Cruz tried to negotiate and offer disclosures about the former First Lady's projects using GSIS funds, and how she misused government money by taking PAL planes on official and unofficial trips abroad.

Laureta, who coordinates closely with Office of the Solicitor General in pursuing cases against identified Marcos cronies, said the PCGG is faced with the dilemma of either maximizing the recovery of ill-gotten wealth or proceeding with stressing a moral point so the unprecedeted corruption will not be repeated.

The PCGG has resorted to granting immunity to former Marcos associates in exchange for information which could lead to the recovery of hidden wealth and the prosecution of Marcos.

Marcos has not been criminally charged in court despite the volume of evidence against him. PCGG Chairman Ramon Diaz explained that the PCGG has yet to determine how much money was taken from public funds before Marcos is charged "with all crimes involving money." He said the PCGG may be prepared to press the charges by January 1989.

**Military Reveals Rightist, Leftist Plots**  
*HK1606033388 Manila Far East Broadcasting Company in English 2300 GMT 15 Jun 88*

[Text] The Armed Forces of the Philippines [AFP] bared an alleged plot by right-wing extremist soldiers to attack military camps, steal firearms and equipment, and free their detained comrades. According to the AFP, the move is a prelude to bigger attacks against the government. Because of this, AFP chief General Renato de Villa ordered all major service commanders to secure military camps and increase camp intelligence efforts to thwart the alleged plot. De Villa added that the alleged plot also aims to discredit the AFP and create a destabilizing effect on the government.

General de Villa also said that a 14-man terrorist commando belonging to the Alex Boncayao Brigade of the communist New People's Army has arrived in Metro Manila with a mission to assassinate or liquidate top ranking government and military officials. De Villa made the disclosure based on military intelligence reports he received recently.

The AFP chief said that among ranking officials in the hit list were Defense Secretary Fidel Ramos, De Villa himself, Capital Regional Command chief Brigadier General Alexander Aguirre, Western Police District chief Brigadier General Alfredo Lim, Local Governments Secretary Luis Santos and some senators and congressmen considered unfriendly and unsympathetic to the communist movement. De Villa said those on the list were adjudged by the Communist Party of the Philippines-New People's Army as having committed anti-people activities. The AFP chief also indicated that the group plans to set up terrorist activities by assassinating more members of the vigilante groups and launching lightning raids or bombing vital government installations.

**Former Ver Follower Linked to Camp Attack**  
*HK1706092988 Manila Far East Broadcasting Company in English 2300 GMT 16 Jun 88*

[Text] The Philippine Constabulary has identified the leader of the commando force which staged the attack on Camp Crame last Saturday. Colonel Evaristo Carino, PC criminal investigation service chief, identified the leader

of the rebel force as Master Sergeant Domingo dela Cruz, a former member of the presidential security group under former Armed Forces Chief of Staff General Fabian Ver. Carino said Dela Cruz was also a bodyguard of Gregorio Araneta II, the son-in-law of deposed President Ferdinand Marcos. Dela Cruz was believed wounded in the right side of his abdomen during the firefight with the PC special action forces when he and his group tried to free former Quirino Governor Orlando Dulay. Investigations showed Dela Cruz went absent without leave after the February 1986 revolution. He was reportedly identified through statements and descriptions by witnesses and soldiers threatened during the attack.

**Media Warned About Guerrilla Coverage**  
*HK1706072788 Manila PHILIPPINE DAILY GLOBE in English 17 Jun 88 p 2*

[By staff writer Julius Fortuna]

[Text] Sympathetic coverage of the communist insurgency and media play up of underground operations could land foreign journalists in jail.

This was disclosed yesterday by a ranking official of the Department of Foreign Affairs, [DFA] which has issued a warning to visiting foreign journalists not to stray into insurgent-controlled areas because the government will not be responsible for their safety.

The DFA official, who requested anonymity, said sympathetic coverage and play up of rebel operations form part of giving aid, assistance and comfort to insurgents, as stated in the warning.

Also yesterday, Foreign Affairs Undersecretary Manuel T. Yan said that all foreign service posts of the Philippines have been advised to remind journalists in their countries of their assignment about this policy.

The DFA circular was telexed to all the posts last Tuesday.

Chiefs of missions assigned to Philippine embassies and consulates have been urged to "remind or caution foreign journalists coming to visit to the Philippines that giving aid, assistance or comfort to insurgents in any form is punishable under Philippine laws."

The DFA circular to all foreign posts was a response to an earlier recommendation of the Department of National Defense [DND] to use the facilities of the DFA to warn foreign journalists not to stray in insurgent-controlled areas.

The Department of Defense sent the recommendation to the DFA on the last week of May.

Earlier on May 22, Defense sent to recommendation to the DFA on the last week of May.

17 June 1988

**Earlier on May 22, Defense Undersecretary Fortunato Abat told the GLOBE during the ceremonies honoring Spanish Prime Minister Felipe Gonzales that the DND had already made a decision to recommend the warning to foreign journalists.**

**Official sources said the recommendation of the DND and the subsequent circular of the DFA was a reaction to the spate of interviews by foreign correspondents of insurgent leaders and coverage of rebel operations.**

**The most publicized of these coverage was the reported coverage by the prestigious British Broadcasting Corp. (BBC) of a rebel ambush on an AFP unit in Albay early last year.**

**Newspapers last month carried reports of an alleged BBC complicity in the reel operation which saw the killing of 2nd Lt. Felix Brawner III and II other soldiers.**

**In subsequent investigations, however, it was not proven that the BBC was guilty of complicity. Foreign Affairs Secretary Raul Manglapus was later quoted as having said that "I don't think a prestigious organization like the BBC will go that far to get news."**

**The recent DFA memorandum did not indicate what will be the legal liability of foreign newsmen caught "giving aid and comfort to insurgents."**

**Secretary Ramos Holds Dialogue in Jolo**  
**HK1606072188 Quezon City Radyo ng Bayan**  
**in Tagalog 0400 GMT 16 Jun 88**

**[Text] Defense Secretary Fidel Ramos is strongly urging people in Mindanao to put an end to their squabbling. Ramos said priority should be given to the progress of the region. He made the appeal during a meeting with political leaders in Jolo, Sulu. He will be there for 2 days to hold dialogues with the region's top leaders and congressmen. They will discuss ways and means to set up industrial projects in Sulu.**

**Kidnapping Hamper Italian Aid Projects**  
**HK1606084188 Manila BUSINESS STAR in English**  
**16 Jun 88 pp 24, 11**

**[By Patricia L. Adversario]**

**[Text] Security reasons have compelled the Italian government to make major revisions in the implementation of a big Italian agricultural development project in Moncaya, Davao del Norte.**

**Earlier, Italian officials casually dismissed possible security risks in the implementation of the \$22-million agricultural project, but the kidnapping of Roberto Carpano, an Italian agronomist, in isolated Inambatan, Moncaya in early May has changed all that.**

**An official at the Italian embassy recently admitted that modifications in the program came as a result of the kidnapping.**

**There are now two phases under the "revised master plan," an embassy source said. Phase I will start with the lowland areas which are considered "low risk."**

**Implementation of projects in the upland areas; which are considered "high-risk" areas will start early next year. Ironically, the need for assistance is greater in the upland areas. Initially, the plan was to implement the project in both areas simultaneously.**

**The two-phase implementation is intended to allow time for the local residents to be aware of the projects' aims and goals.**

**Carpano, program coordinator for the agricultural sector of the Cooperation for Development unit at the Italian embassy, said his kidnapping by the rebels was a result of the lack of information about the project. (Carpano was released by the rebels two hours after he was kidnapped last May 3.)**

**"We are quite positive that the lack of information caused what happened to me," said Carpano.**

**The \$22-million project has six components with an estimated total of 39,618 household beneficiaries. The projects under the program include the establishment of an operative pilot agricultural center, support services, construction of irrigation system, roads, health and education facilities and agro-forestry projects.**

**This is the first Italian development project in the province. The assistance is part of the \$270-million package of soft loans and grants extended by the Italian government in September last year. It was also the first assistance package the Philippines received from the Italian government.**

**The Italians hope that while the lowland projects are being carried out, the provincial government will hold dialogs with the rebels on the aims of the program. According to Carpano, the Provincial government has already sent feelers to the rebels regarding the government's desire to hold dialogs with them.**

**It seems, however, that no dialogs are forthcoming. As Davao del Norte Governor Prospero Amatong said in an interview during his brief visit to Manila last week, he recently ordered the military "to beef up its forces and conduct operations in the area to drive the rebels away."**

**It did not help that another kidnapping incident happened in the same area where Carpano was kidnapped. Five persons from the Department of Agrarian Reform (DAR) who were on an information drive were held**

17 June 1988

## SOUTHEAST ASIA

hostage last May 23 for five hours by a group of communist rebels in Sitio Kampilawa, Barangay Inambatan, Moncayaao, Davao del Norte. According to reports, the rebels freed the hostages unharmed after five hours of captivity but burned their service jeep. The rebels also warned the DAR personnel not to return.

"After what happened, I don't like (the kidnappings) to happen again," Amatong said.

The governor acknowledged that peace and order poses a "paramount problem" in his province. He said the Communist Party of the Philippines (CPP) and its armed component, the New People's Army (NPA), used to have three rebel fronts in the Davao provinces. He added that the relative peace and order situation is "within control because the military continues to maintain its presence in the province, but we don't know if this peace will continue, if the military withdraws."

Amatong also foresees that the "rebels will try to embarrass the government again because projects like these which try to uplift the people's poverty tend to set back the insurgents' political program."

He said the rebels will resort to terrorist activities again, "but the more they resort to that, the more they will be unpopular with the people."

Amatong said the kidnapping incidents should instead provide "more reason for the grant to be implemented the soonest."

"The fact that the rebels are still in the area, gives us more reason to continue delivering the services. If we're afraid to continue delivering services because of them, then we're goners," stressed Amatong.

Barring any further hitches, work on the project's master plan is expected to be underway this month. This will be jointly done under the direction of Carpano by the Italian private engineering consultancy firm, C. Lotti and Associates, and the National Council on Integrated Area Development.

#### **Quezon Province NPA Headquarters Captured**

**HK1706093388 Manila Far East Broadcasting Company in English 2300 GMT 16 Jun 88**

[Text] In Quezon, government troops yesterday [16 June] captured the Banahaw headquarters of the New People's Army but there was no sign of the five military men reportedly held captive there. The capture came before sunrise as a result of the combined operations of the forces of the Southern Luzon Command [Solcom], Recom [Regional Command] 4 PC-INP, the 4th GHQ [General Headquarters] Battalion, and the 1st Scout Regiment backed by helicopter gunships of the Composite Air Support Force. Fifteen NPA rebels captured in the camp were taken to the Solcom headquarters for tactical interrogation.

#### **Muslim Separatist Leader Surrenders in Mindanao**

**BK1406103088 Manila PNA in English 0932 GMT 14 Jun 88**

[Text] Manila, June 14 (OANA/PNA)—A rebel leader from the southern Philippine-based separatist Moro National Liberation Front (MNLF) and 15 of his heavily armed followers surrendered Saturday to military authorities in Mindanao.

The military identified the surrendered leader as Ahmad Mualam, a rebel leader [word indistinct] of the so-called original group of MNLF fighters who underwent jungle warfare training in Malaysia during the early 1970's.

The MNLF has been waging a 14-year struggle for independence of Mindanao from the Republic of the Philippines

Mualam and his group yielded several high powered guns including three M-79s, two bars, six Garands, knives, grenades, and hundreds of bullets of different calibers.

In talks with the PNA in Pagadian City in Zamboanga Del Sur Province, 811 km south of Manila, Mualam stated that his reason for surrendering to the government is to achieve lasting peace in strife-torn Mindanao.

#### **Congressmen To Visit China, Soviet Union**

**HK1406022188 Manila Far East Broadcasting Company in English 2300 GMT 13 Jun 88**

[Text] Fourteen members of Congress headed by Senate President Salonga, leave for China on June 19 for a 9-day official visit. Accompanying Salonga will be majority floor leader Orlando Mercado and Senators Mamintal Tamano and Agapito Aquino. Lower house members of the entourage are Speaker Pro Tempore Antonio Cuenco, and Representatives Raul Daza, Florencio Abad, Alvin Dans, Leonardo Fugoso, Vicente Rivera, Gerardo Roxas Jr, Abdul Sakur Tan, Rodolfo Valencia, and Lorna Verano Yap. The legislators are scheduled to meet ranking Chinese Government officials. The (?senators) will also visit the Soviet Union. Senate President Salonga said their visits to China and the Soviet Union are not junkets because, he said, they will give the lawmakers a chance to learn from socialist countries what they are doing to solve problems similar to those in the Philippines.

#### **Manglapus To Seek Unqualified ASEAN Support**

**HK1606033188 Quezon City Radyo ng Bayan in Tagalog 0100 GMT 16 Jun 88**

[Text] The Philippines will ask for unqualified support from the members of the Association of Southeast Asian Nations [ASEAN] with regard to multilateral aid for the

17 June 1988

country when the organization meets on the first week of July. This was declared by Foreign Affairs Secretary Raul Manglapus before he left yesterday for Italy. Details from Tony Valencia:

[Begin recording] Manglapus said Malaysia, Indonesia, Brunei, Singapore, Thailand and the Philippines will hold the ASEAN ministerial meeting from 4-5 July, at which time they will also take the opportunity to dialogue with the United States, Australia, and New Zealand on 8-9 July. Manglapus also said he would confer with Italian officials on the multilateral aid for the Philippines proposed by the United States. Italy, Japan, Spain, the UK, the FRG, and France are among the European [as heard] nations who have expressed full support for this aid scheme for the Philippines.

On the issue of the Military Bases Agreement, Manglapus said much progress has been made and both panels are confident the negotiations will be completed by July. [end recording]

**Banker Cites Strategies for Debt Reduction**  
**HK1706082788 Manila BUSINESS STAR in English**  
**17 Jun 88 pp 1, 14**

[By Dennis Fatalino]

[Text] Former Philippine National Bank (PNB) president Panfilo O. Domingo submitted to the Senate yesterday a four-point strategy for slashing the country's total outstanding foreign obligation by \$6 billion and saving P300 billion enough to fund the Comprehensive Agrarian Reform Program (CARP).

Domingo presented his proposal to the Senate Blue Ribbon Committee which was looking into the so-called behest loans of the cronies of deposed president Marcos in aid of remedial legislation.

He said the country's foreign debt of roughly \$28.6 billion can be reduced through any or a combination of the following measures:

—Conversion of commercial loans into concessional obligations to save \$890 million on a principal of \$13.2 billion, amounting to \$15 billion over 17 years, or P300 billion which could finance CARP.

Domingo cited the move of U.S. banks like Citibank, N.A. to increase loan reserves by as much as \$3 billion on account of Third World debts. Citibank's loan reserves represented 20 percent of its \$15-billion total exposure.

He said the move recognized the change in the character of assets from commercial to concessional loans with extended maturities. Philippine debts have been stretched to a new term of 17-1/2 years.

The former PNB head said government negotiators should ask for a 2 percent or less concessional loan interest rate instead of paying the commercial rates based on the London interbank offered rate (LIBOR) of 7-7/8 percent plus 7/8 percent premium for a total of 8.75 percent per annum.

Domingo also proposed that payment be extended to 30 years with a grace period of 10 years.

"The savings of 6.75 percent means \$890 million saved annually or a total of \$15 billion or P300 billion over 17 years, more than enough to finance CARP," he said.

However, Domingo said the creditors who might face liquidity pressures caused in part by these long-term investments should be allowed to pledge the debt papers to the government, which will issue its guarantee, to enable the banks to have access to huge financial markets in the U.S. At the same time, he stressed that interest payments must be kept up to date to help the banks maintain their capital assets ratio.

—Condonation by Japanese banks of discounts of Third World debt papers to reduce the principal by as much as 50 percent of the original obligations. The papers can then be used as guarantee for borrowing by the banks from the \$2-billion fund pledged by Prime Minister Noboru Takeshita to Association of Southeast Asian Nations (ASEAN) countries last April.

Domingo said the Japanese banks are comfortable with the situation as they realized profits from the appreciation of the yen against the dollar, which left them with enough for dividend payments to stockholders.

—Issuance of zero coupon bonds along the Mexican formula as suggested by Morgan Guaranty Trust to replace debt papers in the market, with slight modifications to supplement the proposal of Rep. Jose de Venecia (Lakas ng Bansa [Nation's Power], Pangasinan).

Instead of the government using its limited foreign reserves to purchase the zero coupon bonds, the private sector will be encouraged to buy them to replace debt papers in the hands of creditors or in the secondary market.

Domingo said the private sector holds enough foreign exchange to buy them. Although there are no official statistics, Domingo said the defunct "Binondo Central Bank" used to move roughly \$7 million a day or roughly \$2.1 billion a year.

"If only 200 percent of these remittances were withheld in foreign banks over the past 10 years, some \$4 billion must be available overseas that can be attracted and recycled for investment purposes," he explained.

—Using the dacion en pago scheme of the banking industry by which assets of borrowers acquired out of loan proceeds are sold to the creditors in payment of accounts. The creditors or suppliers could then operate these non-performing assets themselves or sell them to interested parties elsewhere.

Domingo cited the case of the \$2.2-billion Bataan nuclear plant. If the creditor banks and suppliers would agree, they could have the plant back at the same price, automatically reducing the country's debt by the same amount, a daily savings of about \$300,000 or \$108 million (P2.16 billion) annually.

the plant could then be sold to interested parties abroad, Domingo said as he disclosed that a neighboring country has shown interest in it. Other such non-performing assets could be operated by the creditors or suppliers right here, he added.

### Thailand

#### Sitthi-Nguyen Co Thach Talks Continue

##### Discuss Cambodian Problem

OW1606134288 Tokyo KYODO in English 1320 GMT  
16 Jun 88

[Text] Bangkok, June 16 KYODO—Vietnamese Foreign Minister Nguyen Co Thach and his Thai counterpart Sitthi Sawetsila held talks on the Kampuchean problem Thursday and agreed to continue their discussion on the regional conflict Friday.

"We will continue talks tomorrow (Friday) morning," Thach told reporters after emerging from the two-and-one-half-hour meeting held at the Foreign Ministry.

"We had common ground and divergencies (in the first round of talks)," Thach added in English. "If there are more talks, we can narrow our differences," he said without elaborating.

Thach said he will meet the press after the second round of talks with Sitthi.

He is here en route home from a trip to New York, where he represented Vietnam at a special U.N. disarmament session.

The foreign ministerial meeting was held at Vietnam's request against the backdrop of Hanoi's recent peace initiatives toward resolving the Kampuchean conflict, now in its 10th year.

In late May, Vietnam said it will withdraw 50,000 troops from Kampuchea this year and end its military presence there by the end of 1990 by removing another 50,000 soldiers.

Informed sources here said the Thach-Sitthi meeting probably focused on the formula of peace talks proposed by Indonesia for late July in Jakarta involving the warring Kampuchean factions and Vietnam.

##### Sitthi Reports on Meeting

BK1706063088 Bangkok Domestic Service in Thai  
0530 GMT 17 Jun 88

[Text] Speaking to correspondents, Foreign Minister Air Chief Marshal Sitthi Sawetsila said his meeting with SRV Deputy Prime Minister and Foreign Minister Nguyen Co Thach, which began yesterday, concluded this morning. Sitthi said the atmosphere at the meeting was friendly and both sides listened to each other's views, which is an important step toward peace in the region, particularly toward a settlement of the Cambodian problem.

Sitthi said he is pleased that both sides have identical views on several issues regarding the Cambodian problem. That is, they want a political settlement of the Cambodian problem and the withdrawal of foreign forces from Cambodia, as well as the Cambodian people's right to determine their own future. On the withdrawal of foreign forces from Cambodia, Nguyen Co Thach informed him that Vietnam scheduled a withdrawal of all of its troops in 1990. Thailand feels, however, if the political negotiations are successful, such a withdrawal could be made sooner, possibly in 1989.

The foreign minister said the influx of Vietnamese people by land and sea was discussed and both sides agreed to hold negotiations to resolve the problem. Vietnam also agreed to look into the problem to prevent new departures and penalize offenders, as well, because Vietnam sympathized with Thailand, which has had to shoulder the refugee burden for some time. Sitthi said that the SRV deputy prime minister said during this visit that he saw a great change in Thailand's progress and prosperity. Sitthi informed the Vietnamese visitor that Thailand tries to develop its country and that Vietnam will have the chance to develop its country once the Cambodian problem is settled. Once that time comes, Thailand may be able to help in Vietnamese development.

##### Nguyen Co Thach Comments

BK1706010188 Bangkok THE NATION in English  
17 Jun 88 pp 1, 2

[By Kawi Chongkitthawon and Yindi Lertcharoenchok]

[Text] Vietnamese Foreign Minister Nguyen Co Thach yesterday said Thailand and Vietnam share "common ground" on talks on Kampuchea, which have been extended to today to try to narrow "divergencies."

"We think it could be promising," Thach, referring to the talks, told reporters after the two-and-a-half-hour discussion with his Thai counterpart Sitthi Sawetsila on the nine-year conflict.

Thach said the talks were "very friendly and very cooperative" and more dialogue is needed to reduce "our gaps and differences."

Sitthi was in an upbeat mood last night. "The atmosphere was very good, we still have some more to talk about," he said, expressing satisfaction.

Sitthi last met Thach here in July 1986. Sitthi declined earlier meetings because he said there was little hope of progress in resolving Vietnam's occupation of Kampuchea.

According to Thai officials attending the meeting yesterday, the common ground which both countries stood on included the policy of national reconciliation for Khmers and the ideal that a future Kampuchea must be an independent, neutral and non-aligned country that does not threaten its neighbours.

The officials who asked not to be named said the security interests of all parties concerned must be observed.

There was confusion over whether Thach, in his statement, said Thailand and Vietnam have "deep divergencies" or simply "divergencies" on Kampuchea because he stumbled over the word. A Vietnamese official later confirmed the word was "divergencies".

The main differences between Thailand and Vietnam are their views on the role of the Khmer Rouge after Vietnam withdraws all its troops, and ways to prevent the Khmer Rouge from returning to power, among others, the officials said. Both Thailand and China are strong supporters of the communist guerrillas, the strongest fighting force in the three-member resistance against the Phnom Penh regime.

Sitthi and Thach will meet again this morning at 9 am. They plan to give separate press conferences after the talks.

M.R. Thep Thewakun, director general of Political Affairs Department, said the Vietnamese side briefed the Thai side on the troop withdrawal. Hanoi says it will withdraw another 50,000 troops by the end of this year.

Thep said Vietnam intends to complete its troop pull-out within 1990. But an earlier withdrawal can be realized only after a political solution, Thep added.

Another Thai official at the meeting told THE NATION that Thailand urged Vietnam to withdraw all of its troops as soon as possible to remove the threat from the Thai border.

The official said Thailand also raised the issue of a new site for a Thai embassy building in Hanoi. Thailand still maintains the ownership right of the long-abandoned Thai embassy in Ho Chi Minh City, which it wants to use as a bargaining chip for a new embassy premises in Hanoi.

Sitthi urged Vietnam to halt the boat people influx into Thailand, according to the official. He said Vietnam has already punished corrupt officials involved in refugee smuggling.

Sitthi pressed Thach to release imprisoned Thai fishermen from Vietnam without fine as a goodwill gesture. Several hundred Thai fishermen are arrested by Vietnam each year on charge of violating Vietnamese territorial waters. Thach has agreed to consider the matter.

The atmosphere at the outset of the meeting was also friendly and jovial. During the photo session, Thach told Sitthi he had a long sleep yesterday because of jet lag. They also talked about the economic situation in Thailand.

Thach said he has not been here for a few years and there is economic progress. Sitthi replied that Thailand has high productivity in manufactured goods, but it is still not a NIC [newly industrialized country] country because the per capita income is less than US dollars 3,000 a year—"It is only about US dollars 1,000."

Said Thach: "We have about US dollars 100 a year."

At the meeting, Vietnam stressed its intention to finish its troop pullback by 1990 and pointed out that keeping the well-armed Khmer Rouge from power would serve the interests of countries in the region, including Thailand, sources said.

Both sides also exchanged views on the latest developments surrounding Kampuchea including Premier Prem Tinsulanon's visit to Moscow in May, sources said.

Thai officials have this week built up hopes for a breakthrough on Kampuchea after the Soviet Union expressed its willingness to play an active role in finding a peace settlement.

Thach, accompanied by his wife, Pham Thi Phuc, will have a weekend free at his disposal. He is expected to meet Prem this afternoon.

The meeting today is expected to touch on "nuts and bolts" of the Kampuchean problem—the Jakarta meeting, which Vietnam pledges to attend, and the role of Prince Norodom Sihanouk in a new provisional government vis-a-vis the Heng Samrin regime.

Thailand has not yet decided whether to send representatives to attend the informal meeting, which would bring together the Phnom Penh government and the three guerrilla groups battling it.

Sources quoted Thach as saying Vietnam would send a ministerial rank official to attend the Jakarta meeting. Thailand would attend the Jakarta talks if the outcome of today's meeting are positive, sources added.

The Vietnamese delegation included Nguyen Can, director general of Southeast Asian Department, Pham Ngac, deputy director general of political affairs department, Ton Nu Thi Ninh, senior official, Nguyen Van Cuong and Le Thanh Long, specialists of the foreign ministry.

**Sitthi Invited to Jakarta Meeting**  
*BK1706081088 Hong Kong AFP in English 0748 GMT  
17 Jun 88*

[Text] Bangkok, June 17 (AFP)—Khmer Rouge leader Khieu Samphan will attend talks in Jakarta which will bring the Cambodian resistance and Vietnam together for the first time, Thai Foreign Minister Sitthi Sawetasila said here Friday.

Mr. Sitthi said all "four Cambodian factions"—the Hanoi-backed government in Phnom Penh and a Chinese-backed tripartite resistance—would attend the meeting in the Indonesian capital.

"Vietnam will definitely attend and we learned that the three (resistance) parties, Khieu Samphan, Son Sann (of the Khmer People's National Liberation Front) and (Prince Norodom) Sihanouk will also attend," Mr. Sitthi said after two days of meetings here with Vietnamese Foreign Minister Nguyen Co Thach.

Mr. Thach said he would attend for Vietnam and he had invited Mr. Sitthi to come to the meeting, which analysts here said could be the most significant move towards peace since Vietnam, a Soviet ally, invaded Cambodia in 1978 to topple the Chinese-backed Khmer Rouge.

The comments to the press by the Thai and Vietnamese ministers ended two days of talks here which Mr. Thach hailed as a possible "beginning of a new chapter in our bilateral relations."

The talks between Thailand, which leads non-communist Southeast Asia in opposing Hanoi's nine-year occupation of Cambodia, and Vietnam were clearly the most fruitful between the two key nations since the Cambodian conflict began, analysts said.

But they said it was not clear whether Vietnam would meet right off with the Cambodian resistance factions and the Phnom Penh regime or wait for the Cambodians to talk first among themselves, as Hanoi has demanded in the past.

Organisers had proposed two-phase "cocktail party" talks, beginning with a meeting of the Phnom Penh government and three resistance factions and then expanding to include other "concerned countries," including Vietnam.

Vietnam, which has at least 100,000 troops in Cambodia, has never met with the Cambodian resistance since the 1978 invasion and installation of a client regime in Phnom Penh.

The Khmer Rouge, which have cast doubt on Hanoi's pledge to join the talks with the guerrillas, have insisted that Vietnam talk directly with them. Vietnam has said the conflict is a civil war to be resolved among Cambodians.

**Khmer Rouge Guerrillas Burn Down SRV Outpost**  
*BK1706055088 Bangkok THE NATION in English  
17 Jun 88 p 3*

[Text] Aranyaprathet—Khmer Rouge guerrillas yesterday burned down a joint Vietnamese-Heng Samrin military position after hours of fierce fighting for the second straight day, sending shells into a Thai border village in this border town, military sources said.

A Thai villager, Thawat Khuansanguan, 21, was seriously wounded and a cow killed when a mortar shell, believed to have been fired by Vietnamese troops, landed in Moo 3 of Tambon Phansuk, an army officer said.

About 100 Khmer Rouge soldiers attacked the Vietnamese outpost in Phnum Malai and Phnum Mak Hoen around 5 am and destroyed an arsenal and about 40-50 shelters after a five-hour battle, the officer said.

Aranyaprathet district chief Santi Kriangkraisuk ordered 150 families in the village to move deeper inside Thai territory.

Villagers said sporadic fighting continued well into the night Wednesday.

The Khmer Rouge soldiers on Monday started a drive against the Phnom Penh forces, igniting the fiercest battle in months, the army officer said.

Thai soldiers along the border remain on red alert to bar all foreign troops from crossing into Thailand.

The fighting broke out as Vietnamese Foreign Minister Nguyen Co Thach arrived for talks seeking a political settlement of the almost ten-year-old Kampuchean conflict.

On Wednesday, several rounds of artillery and mortar shells landed in Non Sao-e village in Tambon Phansuk. The incident prompted an evacuation of about 500 children, women and elderly people from the village.

17 June 1988

## SOUTHEAST ASIA

The Thai army said two Thais were killed and two others wounded when six 105-mm shells crashed into the village in Prachin Buri on Sunday.

But Vietnamese on Tuesday denied the Thai charge that the shells were fired from its base in Kampuchea's Battambang province bordering Prachin Buri.

Hanoi has announced it will pull out 50,000 of its estimated 120,000 troops in Kampuchea this year, starting late June.

**Vietnam, PRC Campaign 'Interference' Viewed**  
*BK1606090788 Bangkok SIAM RAT in Thai*  
*16 Jun 88 pp 8*

[Editorial: "Electioneering?"]

[Text] Vietnamese Foreign Minister Nguyen Co Thach is making a stopover in Thailand between 15-16 June, during which he will hold talks with Thai officials including Foreign Minister Air Chief Marshal Sitthi Sawetsila to seek ways for the settlement of the existing Cambodian problem.

Considered from the diplomatic viewpoint, the talks could be a positive signal because it is the first meeting between the two in 2 years and they are also being held at a suitable time—taking place after Soviet leader Mikhail Gorbachev and Prime Minister General Prem Tinsulanon's talks on this issue in Moscow last month.

However, not many results are likely to emerge from the meeting between Nguyen Co Thach and Air Chief Marshal Sitthi. At most it will involve inquiries about Vietnam's announced plan to withdraw 50,000 troops from Cambodia.

It is possible that Nguyen Co Thach and Air Chief Marshal Sitthi will discuss in detail the ways to settle the Cambodian problem. It is certain that Nguyen Co Thach's replies will include many conditions.

For Vietnam, Nguyen Co Thach's stopover will not only help it score diplomatic points but will also be a good chance for it to assess Thailand's general political situation and Air Chief Marshal Sitthi's political base.

For Air Chief Marshal Sitthi, Nguyen Co Thach's visit is like a gift because after Nguyen Co Thach returns home, he can tell the eligible voters that the visit by Nguyen Co Thach was achieved by the government, and especially himself. So, if they want the settlement of the Cambodian problem to be achieved, they should vote for him so that he can return as the foreign minister again. There is nothing wrong with Air Chief Marshal Sitthi using Nguyen Co Thach's visit to promote his election campaign.

But, it is rather strange that the PRC Embassy held a reception to celebrate the 13th anniversary of Chinese-Thai diplomatic relations although that date has not yet come. Businessmen were invited to the reception and Air Chief Marshal Sitthi was the only Thai official present at the reception. It is not known why the PRC Embassy held this reception and why it did not invite the Thai officials who played a role in establishing diplomatic relations. Or was this reception held to help promote Air Chief Marshal Sitthi's election campaign? Consequently, we want the PRC Embassy to explain this matter. Otherwise, we will consider that there has been interference in Thailand's internal affairs, regardless of whether Air Chief Marshal Sitthi is aware of it or not.

**Army Spokesman on Chinese Arms Stockpile**  
*BK1606091088 Bangkok THAI RAT in Thai*  
*16 Jun 88 pp 2, 3*

[Text] Speaking about a report on the establishment of a Chinese arms stockpile in Thailand similar to the one already set up here by the United States, Thai Army Secretary Major General Narudon Detprayut said that only views on this matter have been expressed; nothing concrete has been carried out so far. He said that to acquire war weapons for use in its operations, the Royal Thai Army normally assigns our authorities concerned, such as military attaches stationed in many countries, to coordinate in such dealings through the FMS [foreign military sales] system—a system that is similar to the one applied by the United States in dealing with Thailand. The countries to which we have applied this system are England, West Germany, France, China, and South Korea. He said Thailand is currently using weapons from both the United States and China.

The Army secretary went on to say that Thailand's main objective in having arms stockpiles set up here is to serve our national defense. We will do everything possible to give the Army preparedness to defend national independence and sovereignty, but not to commit aggression against any countries.

Asked whether the United States would agree with a decision by Thailand to allow China to set up an arms stockpile here, Maj Gen Narudon said that such a decision, if ever made by Thailand, is a different matter because we already have Chinese weapons in our possession. Therefore, it is our own concern to acquire Chinese ammunition for our own use. We are willing to accept assistance in such a manner from whatever country because Thailand is regarded as a frontline state of the free world. If the United States sees it necessary to reduce assistance to us, we naturally have to seek similar assistance from other friendly countries.

### Vietnam

**Talks on Emigration Scheduled With U.S.**  
*BK1606155588 Hong Kong AFP in English 1548 GMT*  
*16 Jun 88*

[Text] Hanoi, June 16 (AFP)—Vietnamese and U.S. experts will meet here in July to discuss 'he emigration to

the United States of former inmates of reeducation camps, a Foreign Affairs Ministry spokeswoman said Thursday.

The decision was taken during a recent meeting in New York between Foreign Affairs Minister Nguyen Co Thach and retired General John Vessey, special representative of U.S. President Ronald Reagan, Ho The Lan said.

Between September 1987 and February 1988, around 1,500 civilian and military officials of the former South Vietnamese regime were released after spending more than 12 years in reeducation camps.

Most expressed a desire to emigrate to the West, the United States in particular, and the general secretary of the Vietnamese Communist Party, Nguyen Van Linh, said they would be allowed to.

About 200 former officials with the Saigon regime remain incarcerated, according to Hanoi.

Mrs. Lan said that progress had been made in Vietnam-U.S. relations since Gen. Vessey's August 1987 visit here, notably on the issues of U.S. soldiers missing in action during the war (MIAs), Amerasians born during or since the war and U.S. aid to help alleviate Vietnam's humanitarian problems.

During the visit, Vietnam agreed to step up research into MIAs and the United States promised to study Vietnam's urgent humanitarian needs.

Non-governmental U.S. organizations have sent equipment and materials to help make false limbs for people mutilated during the war.

Washington hopes to expand assistance in the area of infant diseases and juvenile handicaps.

Nearly 1,800 U.S. soldiers are thought to be missing in Vietnam, while 152 sets of remains have been identified, according to U.S. statistics. Since Gen. Vessey's visit, 52 sets of remains presumed to be those of MIAs have been returned to the United States.

**Official Comments on Troop Withdrawal, Talks**  
*BK1606121188 Hanoi Domestic Service in Vietnamese*  
*1100 GMT 16 Jun 88*

[Text] At a regular news conference held by the Vietnamese Foreign Ministry in Hanoi today, 16 June, the correspondents of ATA—Poland, PRENSA LATINA—Cuba, L'HUMANITE—France, AKAHATA—Japan, and XINHUA—China—asked for information on a meeting between Vietnamese Foreign Minister Nguyen Co Thach and Indonesian Foreign Minister Ali Alatas in

New York, and on Vietnam's stance over its participation in an unofficial meeting on the Cambodian issue to be held in Jakarta in July this year. The spokesman for the Vietnamese Foreign Ministry answered:

While attending the UN special session on disarmament in New York on 4 June, Vietnamese Foreign Minister Nguyen Co Thach and his Indonesian counterpart Ali Alatas met to exchange views on relations between the two countries and on an unofficial meeting, called the cocktail party, between the Cambodian parties themselves and between the Cambodian parties and the relevant countries scheduled by Indonesia to be held in that country by the end of this July. The two ministers affirmed their respect for the commitments reached on 29 July 1987 in Ho Chi Minh City. According to the spirit of these commitments, Vietnam is ready to join with other relevant countries to participate in the second phase of the cocktail party.

Together with its decision to withdraw 50,000 troops and the Vietnam Army volunteers headquarters from Cambodia in 1988, Vietnam's assertion that it is ready to participate in the unofficial meeting to be held in Indonesia once again demonstrates the goodwill for peace of Vietnam and its positive contribution to the process of having the Cambodian issue settled through a political solution.

[Question] The AKAHATA correspondent asked what is Vietnam's stand concerning the PRK favoring Prince Sihanouk's proposal for holding a meeting for all Cambodian parties under the sponsorship of the Nonaligned Movement and whether there are relations between this quadripartite meeting and the Jakarta meeting?

[Answer] Vietnam's principled stand is that the Cambodian problem must be first settled by the Cambodian people themselves. Therefore, we support the PRK's decision to favor Mr Sihanouk's proposal for a meeting between the four Cambodian parties under the sponsorship of the Nonaligned Movement. We also support the continuing talks between Chairman Hun Sen and Prince Sihanouk. These forms of meeting between the Cambodian parties and the cocktail party scheduled to be held in Indonesia will have a motivational effect in the direction of spurring the process of solving the Cambodian issue through negotiations.

[Question] The KYODO correspondent asked for an appraisal of the meeting between Vietnamese Foreign Minister Nguyen Co Thach and his Thai counterpart Sitthi Sawetsila.

[Answer] At the invitation of the Thai Foreign Ministry, Vietnamese Foreign Minister Nguyen Co Thach has been visiting and working in Thailand starting 16 June. He held talks with Thai Foreign Minister Sitthi Sawetsila on the Cambodian issue, the Southeast Asia region, and other issues on bilateral relations. This is an important event that may mark an advancement in the relations

between the two countries and the relations of the countries in this region. We hope that this visit to Thailand by Foreign Minister Nguyen Co Thach will meet with splendid success, thereby contributing to shifting the relations between Vietnam and Thailand, as well as between ASEAN and Indochina, from confrontation during the past 9 years into dialogue, cooperation, and friendship for the mutual benefit of both sides.

[Question] The KYODO correspondent asked what is the present situation in the Hoang Sa [Paracel] and Truong Sa [Spratly] Archipelagoes.

[Answer] The Vietnamese Foreign Ministry spokesman said: It is noteworthy that the Chinese side recently announced that they were accelerating the construction of the oceanic observation post at the Chu Thap Coral Reef of the Truong Sa archipelago, while drafting a plan to build an air traffic control center on the Hoang Sa Archipelago of Vietnam.

Vietnam's stance on the Truong Sa and Hoang Sa Archipelagoes has been clear. Vietnam advocates the settlement of disputes through peaceful negotiations. China has also stated that they advocate peaceful settlements of disputes among nations, including the Truong Sa issue. Pending negotiations, both sides should refrain from all clashes and avoid doing anything that may worsen the situation.

**PRC Oceanographic Station in Spratlys Viewed**  
*BK1606161988 Hanoi VNA in English 1451 GMT*  
*16 Jun 88*

[Text] Hanoi VNA June 16—The Chinese mass media could deceive nobody when it said that China was installing an "oceanographic station" in the Truong Sa [Spratly] Archipelago of Vietnam, says the army paper QUAN DOI NHAN DAN in a "Current Events" comment today.

The paper quotes the Chinese news agency XINHUA as saying that this station is of a purely scientific character, that it will be only "collecting data for global oceanographic observation and providing navigation guarantees for ocean-going ships passing the area", etc.

QUAN DOI NHAN DAN says:

"Even the most naive people know that it is Beijing's intention to use this 'oceanographic station' to monitor and supervise, and in the event of war, block the movement of any ship using this important sea lane from the Pacific to Indian Oceans. No doubt, it will also be used by China to illegally exploit Vietnam's natural resources in the Truong Sa Archipelago."

**Southeast Asia Trade Union Seminar Held**  
*BK1606080088 Hanoi VNA in English 0700 GMT*  
*16 Jun 88*

[Text] Hanoi VNA June 16—A Southeast Asia trade union education seminar on "the role of trade unions in developing countries" and jointly held here from June 8-11 by the Vietnam Federation of Trade Union (VFTU) and the World Federation of Trade Unions (WFTU). [sentence as received]

Participating in the seminar were representatives from Trade Unions of the Philippines and Allied Services (TUPAL), National Association of Trade Unions of the Philippines, the National Congress of Workers of the Philippines (KAPIPUPAN-NCN), the May First Movement Labour Centre of the Philippines (KEU), the National Workers of Thailand (NWCT), the Thai Trade Union Congress, the Kampuchean Federation of Trade Union, the Lao Federation of Trade Union, VFTU and the WFTU.

The participants informed one another of the trade union movements in their respective countries. They discussed the role of trade unions in the cause of socio-economic development in developing countries, the struggle of workers and trade unions against the exploitation and negative aspects of the TNC's [acronym as received] activities in developing countries, and the problems closely related to the living and working conditions of workers, namely social insurance, labour protection and trade union rights.

They also expressed their wish to further promote the cooperation among trade union organisations in the region.

**Vo Van Kiet Thanks Sweden for Emergency Aid**  
*BK1606162588 Hanoi VNA in English 1505 GMT*  
*16 Jun 88*

[Text] Hanoi VNA June 16—The Swedish Government has decided to send 25 million kronor as emergency aid to Vietnam.

The sum will be invested in agriculture to meet the present urgent needs.

Acting Chairman of the Council of Ministers Vo Van Kiet has sent a message to Prime Minister Ingvar Carlsson thanking the Swedish Government and people for this precious, timely aid.

**Oil Exploration, Exploitation Contract Signed**  
*BK1706031688 Hanoi VNA in English 1506 GMT*  
*16 Jun 88*

[Text] Hanoi VNA June 16—A contract on exploration and exploitation of natural gas and oil in off-shore central Vietnam was signed here today between the

Vietnam National Gas and Oil Company (PETROVIETNAM), the Shell Exploration B.V. of Holland and the PETROFINA S.A. of Belgium.

Under the 25-year contract, the Shell and the PETROFINA will totally invest in oil exploration and exploitation. The profit will be divided according to international practice on the basis of mutual interest.

Signatories were Truong Thien, president of the PETROVIETNAM; Douglas Wayne Ellenor, executive director of the Shell Exploration B.V. and Jean Marie Despretz, executive director for Southeast Asia of the PETROFINA.

**Dong Nai Province Moves To Cut Tax Shortfall**  
*BK1606162188 Hanoi Domestic Service in Vietnamese  
 2300 GMT 10 Jun 88*

[NHAN DAN "article" by Thien Anh and Nong Cong: "Why Does Dong Nai Suffer a Great Shortfall in Industrial and Commercial Tax Collection, and Its Measures To Overcome this Situation"—date not given]

[Summary] "In 1987 Dong Nai Province collected 2.49 billion dong from industrial and commercial taxes. Of this, 56 percent came from the individual sector, 21 percent from the collective sector, and the rest from other sectors. This amount of tax collection still did not accurately reflect the actual status of production in the province.

"In 1988, the amount of taxes collected in the first quarter represented only 57 percent of the planned target. As many as 23,115 households in the province are now engaged in production, business, and trade activities. However, only 14,300 of them have actually been registered, while 8,815 others still remain outside the control of the state."

This number can be separated into two categories. Although permits have already been issued to those households belonging to the first category by the provincial industrial and commercial tax office, they still cannot obtain these permits unless they pay their villages or city wards a relatively large sum of money for what they called national construction. The second category consists of households trading in such goods as gold, silver, cement, iron, steel, and export farm products without business registration.

"The provincial tax sector only imposes general taxes on 80 percent of the income of those households with business registration. Thus, the collection of industrial and commercial taxes in Dong Nai is subjected to shortfall both in terms of number of households and targets." Many private traders seek to evade taxes under the patronage of collective or state-run organizations.

"In Bien Hoa city, 13 transport cooperatives owe the state 20.751 million dong in taxes. The city tax office has repeatedly submitted petitions to the city people's committee for its instructions in an effort to quickly collect this amount of taxes but to no avail, as the city administration still has not adopted a decisive attitude.

"At present, 70 state organs at the local and central levels in Dong Nai Province have set up production or business establishments under the form of joint ventures. Only 20 of them are known to have paid taxes, but at will or not on a regular basis, while the rest have never paid a cent."

The provincial general corporation and the Bien Hoa city material supply corporation have organized 24 points for the purchase of discarded materials. "These points, which have actually been administered and financed by private traders, have evaded taxes or have not paid taxes to the state by an amount of more than 10 million dong."

This situation is due to a failure to satisfactorily carry out propaganda and education work concerning the law on industrial and commercial taxes among the people, to the fact that many organs and units in the province have paid more attention to sectional interests than state interests, and to the poor ability and quality of tax cadres.

Measures are being taken by the Dong Nai provincial tax sector against shortfall in the collection of industrial and commercial taxes. These involve carrying out education and propaganda work concerning the law on industrial and commercial taxes deeply and broadly among the people, arranging for traders to control each other while dealing strictly and justly with smugglers and tax dodgers who disrupt the market and state organs which protect illegal businessmen, regularly cross-examining tax offices in various districts and cities of the province, holding consultative conferences on tax collection targets between private traders and tax cadres to ensure democracy and openness while preventing acts of negativism by tax cadres, coordinating with responsible sectors in intensively controlling and inspecting various business units, and regularly opening short-term refresher courses for tax cadres in the province.

"Public opinion in Dong Nai holds that various responsible organs still have dealt severely with those households seeking to evade taxes or delay tax payment, thus resulting in the loss of an enormous source of revenue. The Dong Nai provincial tax sector must review and renovate its ways of thinking and doing things so as to successfully collect taxes while correctly enforcing tax policies."

**Memorial Service Held for Archbishop**  
*BK1706031088 Hanoi VNA in English 1502 GMT  
 16 Jun 88*

[Text] Hanoi VNA June 16—Archbishop Nguyen Kim Dien of the Hue Diocese (Binh Tri Thien Province) died of serious illness at the Cho Ray Hospital in Ho Chi Minh City on June 8.

A memorial service was held on June 13 in Hue City in the presence of representatives of the administration and the Fatherland Front Committee of the province.

Huynh Tan Phat, president of the Presidium of the Vietnam Fatherland Front Central Committee, Phan Minh Tan, head of the Commission for Mass Mobilization of the Communist Party of Vietnam Central Committee, and Nguyen Quang Huy, head of the government's Commission for Religious Affairs, sent their wreaths to the service.

The funeral service was held at the Phu Cam Church on June 15 and presided over by Archbishop Nguyen Van Binh, vice president of the Vietnam Episcopal Council.

Le Van Hoan, president of the Fatherland Front Committee of Binh Tri Thien, and Nguyen Dinh Ngo, vice chairman of the provincial People's Committee were present at the service.

#### Briefs

#### Photo Exhibit on Spratlys

A photo exhibition on life in the Truong Sa [Spratly] Archipelago, territories of Vietnam in the Eastern Sea, was opened here today. On show are 175 color and black-and-white photos named "10 Days in Truong Sa." They were taken by photo artists and reporters who recently made a 10-day tour of a number of islands in the Truong Sa Archipelago. The photos highlight the life of the Vietnamese soldiers and their readiness to fight for

the defense of the islands, reaffirming Vietnam's sovereignty over the archipelago and further denouncing China's occupation of a number of islands there. [Text] [BK16060442 Hanoi VNA in English 1500 GMT 15 Jun 88]

#### Dong Da Group Visits France

A delegation of the Dong Da Precinct, Hanoi, made a 9-day visit to Choisy Leroi, a town on the periphery of Paris that established brotherly relations with Dong Da Precinct 15 years ago. During its stay from 3-12 June, the delegation had working sessions with the Communist Party organization of Choisy Leroi, and made a tour of economic, health and cultural institutions in the town and in Paris. It also visited the Union of Vietnamese Residents in France and the France-Vietnam Friendship Association. [Summary] [BK16060402 Hanoi VNA in English 1453 GMT 15 Jun 88]

#### Friendship Order Conferred

Hanoi VNA June 16—Vietnam has conferred the "Friendship" Order and medal on five GDR art and cultural workers for their contributions to its national development. The presentation was made in Berlin yesterday by Vietnamese ambassador to the GDR Ta Huu Canh. On behalf of the recipients, Kurt Schwaen, doctor of musicology, said they would continue their work to promote the friendship and solidarity between the two peoples. [Text] [BK16060814 Hanoi VNA in English 0707 GMT 16 Jun 88]

### Australia

#### Hawke on Port Access for Soviet Trawlers *BK1706065588 Melbourne Overseas Service in English 0500 GMT 17 Jun 88*

[Text] Australia's prime minister, Mr Hawke, says nobody should be surprised if Australia grants port access to Soviet fishing boats.

Federal cabinet has approved continued negotiations with the Soviet officials on port access.

Mr Hawke said it is a possibility port access will be granted. He added that many Western countries allow Soviet fishing vessels into their ports, including the United States. However, the opposition in Federal Parliament says if the Soviet fisheries deal goes ahead, the Australian Government will be giving the green light to Soviet entry into the southwest Pacific.

The opposition foreign affairs spokesman, Mr John Spender, says that in the past the government has (?rightly been) concerned at the possible spread of Soviet influence among the small island countries of the southwest Pacific.

Mr Spender says Soviet access to Australian ports for its fishing fleet would make it impossible for the Australian Government to argue with force and credibility that future Soviet overtures to the island countries should be rejected.

### Fiji

#### New Decree Gives Security Forces Wider Powers *BK1606133188 Hong Kong AFP in English 1305 GMT 16 Jun 88*

[Text] Suva, June 16 (AFP)—Security forces in Fiji have been given wider powers under a new decree announced here Thursday.

A Fiji Ministry of Information statement said that a new internal security decree had been promulgated Thursday after the cabinet was told that security forces had inadequate powers to effectively deal with the recent smuggling of arms into Fiji.

The statement deplored attempts by some elements of the Fijian Indian community to try to organise a rebellion against the state and said the new powers would help security forces to act in cases of attempted subversion.

Under the decree, security forces would have greater powers of preventative detention and the power to regulate public statements and publications.

The decree also bans any form of organised military training for civilians or the wearing of military type uniforms.

The statement said the new measures, backdated to March 1, had been implemented because of the gravity of the situation in Fiji.

Twenty people are still in custody and will appear in court next week on charges arising from the discovery of illegal arms caches in Fiji and the interception in Australia of another clandestine shipment.

The call for wider powers was made by the Ministry of Home Affairs which is headed by Brigadier Sitiveni Rabuka, the man who led a military coup in Fiji last year which toppled the Indian-dominated coalition government.

Indians first brought into the country as indentured labourers slightly outnumber the indigenous Melanesian population in Fiji.

**END OF  
FICHE**

**DATE FILMED**

31 June 1988

